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Protected and Confederated:

**Power Politics and the Forging of
European Union**

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ABSTRACT

This thesis explores the origins and evolution of European integration through the lens of classical realism. Classical realism, as an approach to International Relations, has had little to say about one of the most fascinating and politically important developments in the post-war international system, namely the effort by Western European states to integrate economically from the 1950s onwards. Grounded in classical realism's ontology of power and the desire by states to secure autonomy and exert influence in the international system the thesis argues that a combination of military power, economic power, and power over opinion can explain the main contours and dynamics of integration. At the core of the argument is the idea of 'Three Europe's' – Protected Europe, Confederated Europe, and a Europe of States – which have coexisted in a stable equilibrium for most of the post-war era.

Protected Europe is grounded in both the military power and capacity of the United States and the national interest of the United States, remarkably static from 1945 onwards, to play a hegemonic role within the European military and security sphere. It was Protected Europe that created the military security and stability necessary for Western European states to pursue economic integration. It altered the guns versus butter trade-off and permitted Western European states to invest more in their welfare states. Most importantly it resolved the security dilemma that had existed between the most powerful states on the continent, France and Germany, and created a context in which their interaction shifted to one of intensive cooperation. The product was Confederated Europe. The logic at the core of Confederal Europe was a desire by France to bind Germany, and consent by the Germans to be bound. This was done for a variety of reasons. Internally the concern was to exert as much control over Germany as possible and Germany's long-term national interest – to secure normalisation, independence, and reunification – complemented this urge. Externally the concern was to secure autonomy in the global economic system and to project power and influence within that system. But the components of the confederation remained distinct nation states and thus a Europe of States existed in an often uneasy tension with Confederal Europe. The fault line between a supranational economic structure and a political structure still tied to the states created intermittent tensions and political earthquakes that have punctuated the history of post-war Europe. However, throughout the period the European masses formed a permissive consensus vis-à-vis integration and, given the rather limited and technical nature of the confederation, this minimised the inherent tension between Confederal Europe and the Europe of States.

All three Europe's are, at the beginning of the twenty-first century, in a state of flux. The decline in the relative power of the United States, and the rise of new challenges in the Asia-Pacific, has triggered a strategic pivot away from Europe and a weakening of the commitment to Protected Europe. How Europe will manage this shift remains unclear but a more prominent European leadership role in NATO or a rejuvenated and more focused European security and defence policy seem necessary. The historical balance between a France that wished to bind and a Germany that consented to be bound has shifted palpably. More willing to act as a 'normalised' power in the European system, Germany has emerged as a clearly dominant actor and this will require a shift in the diplomatic practices of a European system that has become used to France leading and Germany both following and supplying the supporting economic power. If Confederal Europe is to survive it must accept stronger German leadership. Finally the permissive consensus at the mass level is being eroded as European integration touches upon ever-more salient policy spheres. This means that the power of the idea of Europe has to be strengthened and entrenched more firmly, thus diluting the prominence of the Europe of States, or integration must retrench to bring its competences back into line with its legitimacy.

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INTRODUCTION

Jim Hacker, Minister for Administrative Affairs in the UK Government, stands from behind his desk, clearly exasperated, and walks across his Whitehall office. Across from him is Sir Humphrey Appleby, Permanent Secretary at the department. Hacker's particular annoyance is with a European Community directive from Brussels, a directive that is frustrating his attempt to standardise the procurement of computing across the UK civil service. His Permanent Secretary, and his Principal Private Secretary, simply nod in an understanding way and utter: 'Yes minister, quite so'. The conversation continues:

Appleby: That's the penalty we have to pay for trying to pretend that we're Europeans. I fully understand your hostility to Europe.

Hacker: I'm not like you. I'm pro-Europe, I'm just anti-Brussels. Sometimes I think you're pro-Brussels and anti-Europe.

Appleby: Minister, I'm neither pro nor anti anything. I am merely a humble vessel into which ministers pour the fruits of their deliberations. But, it could well be argued that, given the absurdity of the whole European idea, Brussels is in fact doing its best to defend the indefensible and to make the unworkable work.

Hacker: That is simply not true! I don't want to sound pompous but the European idea is our best hope of avoiding narrow, national, self-interests.

Appleby: It doesn't sound pompous Minister. Merely inaccurate.

Hacker: Listen, humble vessel. Europe is a community of nations, dedicated towards one goal.

Appleby: Let's look at it objectively. It is a game played for national interests and always was. Why did we go into it in the first place?

Hacker: Well, to strengthen the brotherhood of free Western nations.

Appleby: Oh really? We went in to screw the French by splitting them off from the Germans.

Hacker: So, why did the French go into it then?

Appleby: Well, to protect their inefficient farmers from commercial competition.

Hacker: That certainly doesn't apply to the Germans.

Appleby: No, no. They went in to cleanse themselves of genocide and apply for readmission to the human race.

At this stage Hacker, becoming increasingly agitated at the responses of his Permanent Secretary, lambasts him, observing, "I never heard such appalling cynicism!" In a desperate attempt to salvage his argument he suggests that, at the very least, the small nations joined the European Communities for non-selfish reasons. But, consistent as ever, Appleby shoots him down. "Luxembourg", he says, "are in it for the perks, the capital of the EEC, and all that foreign money pouring in." Far from being a central location, as Hacker argues, "it's like having the House of Commons in Swindon and the Civil Service in Kettering!" retorts Appleby. And those trying to get into the community are equally selfishly motivated. When asked by Hacker to "take the Greeks, for example," Appleby sneers: "I find it difficult to take the Greeks. But what will they want out of it? An olive mountain and a retsina lake?" And so it goes. Idealism meets realism in the debate about European integration.

Of course, this was not an actual exchange that took place at Whitehall (although sometimes one does wonder what is said behind closed doors). The scene is from the satirical British sitcom, *Yes Minister*, which ran from 1980-84 (Jay and Lynn 1981). What it captures, in a humorous but not entirely ridiculous way, is a tension between two perspectives on how politics operates among nations. The Minister is speaking in rather idealistic tones and stressing how ideas about how part of the world, in this case Europe, ought to be organised have motivated political leaders to make it thus. The civil servant is speaking in the language of national interests and selfish motives, in which the priority is to secure and advance the interests of the state against all others. Both are caricatures but, this thesis will argue, there is far more truth to the sober realism of the civil servant than there is to the high-minded idealism of the politician.

The realist-idealist debate between Minister and Permanent Secretary is a, albeit more entertaining, echo of academic debates about European integration in the 1970s and 1980s. Prior to what Desmond Dinan calls 'the Milwardian onslaught'¹, discrete historical works – of varying strengths – and a federalist narrative that was shot through with the sort of idealism that characterised the fictional Minister dominated academic studies of European integration. The federalist narrative stressed the commitment of leaders such as Konrad Adenauer, the first postwar West German Chancellor, to the European ideal. West Germany's desire to regain sovereignty and establish stable relations with its neighbours, in service of a long-term national interest of reunification, is discounted. Figures such as Alcide de Gasperi (Italian prime minister from 1945-53), Altiero Spinelli (Italian political theorist and ardent federalist), and Paul-Henri Spaak (Belgian prime minister from 1947-49 and international civil servant), are elevated to highly questionable dominant roles. Others – such as Jean Monnet (French civil servant and diplomat), and Robert Schuman (French

¹ Named after the economic historian Alan Milward, whose detailed histories of early postwar Europe dismantled any notion that high-minded ideals about transcending the nation state were the primary factor motivating Western European states to integrate (Milward 1984, 1992).

prime minister from 1947-48, and foreign minister from 1948-53) – are painted in a very selective light and assigned solidarist motives more akin to saints than statesmen. The villains of the piece, figures clinging to outmoded notions of national interests and pluralism, typically included British figures such as Winston Churchill (prime minister from 1951-55) and Ernest Bevin (foreign secretary from 1945-51), and French president Charles de Gaulle.

It was Milward, more than anybody else, who ‘discredited the federalist narrative and established a new orthodoxy in the historiography of European integration’ (Dinan 2006: 306, 316). The move, in the 1980s and 1990s, towards academic works that stressed the primacy of state interests and state power in the history of European integration was to be welcomed (Griffiths 1990; Gillingham 1991; Milward et al. 1993; Moravcsik 1999). Despite this move there has not been, to date, a classical realist analysis of the origins and evolution of European integration. Milward’s works were fine-grained economic histories in which hundreds of pages were dedicated to very short periods of time. While not wishing to impugn his works – a near impossibility given the reverence in which they are rightly held – the analysis of European integration offered herein operates at a more macro-level, taking in over six decades of developments in global politics. Offerings from International Relations (IR)² have so far shunned classical realism.

While the specifics of the argument to be advanced will be discussed in chapter 1, the purpose of the thesis is to develop an analytical narrative of postwar Europe that is grounded in classical realism. There is much in the previous sentence that needs to be unpacked. Classical realism, as an approach to IR, rests on a series of broad assumptions about the nature of world politics, or put more technically a specific scientific-ontology. It emphasises the central role of power and interests in the construction of international systems. Classical

² The thesis will follow conventional practice and distinguish between International Relations (IR) as an academic field of inquiry, and international relations as the subject being studied.

realism is the lens through which European integration will be viewed throughout this thesis.

Analyticism is the methodology that will be used to construct and present that view. An analytical narrative is not an exercise in comparative hypothesis testing; indeed it rests on a fundamentally different philosophical-ontological base than mainstream neo-positivist IR scholarship. The reader will find, herein, no statement of hypotheses to be tested. Rather, the approach is committed to producing a useful account of the phenomena in question, namely European integration, that rests on the robustness of a specific analytical narrative constructed by the researcher (Jackson 2011: 196-201). Before beginning, the structure of the thesis will briefly be set out.

Structure of the thesis

The structure of the thesis is as follows. Following this short introduction are seven chapters. Broadly, the first two chapters focus on setting out the argument, critiquing the existing literature, and setting out the methodology adopted. The scientific-ontology (classical realism) and philosophical-ontology (analyticism) are developed in the first two chapters. In short they frame the context for the empirical content. Chapters 3-7 constitute the empirical component of the thesis with chapter 7 also serving as a conclusion.

Chapter 1 sets out the argument of the thesis. It develops the concept of Three Europes – Protected Europe, Confederal Europe, and a Europe of States – coexisting in the postwar years. It develops an account, grounded in classical realism, of how the interests and power of leading states have interacted to form and sustain the Three Europes. It argues that Protected Europe has supported and sustained both Confederal Europe and a Europe of States. Those latter two Europes exist in tension with each other, a tension that has been

amplified by the transfer of more competences over more salient issues to the confederation.

Chapter 2 is concerned with the philosophical-ontology and methodology that underpins the thesis. It also serves as a critical literature review of existing theories of EU integration. It advances two arguments. First, that IR should operate with a broader conception of what constitutes social science and that alternative approaches to mainstream neo-positivism represent fruitful avenues for research. Second, that existing theories of European integration all suffer from problems in how they explain the origins and evolution of the EU.

Chapters 3 through 6 consider the history of postwar Europe and are broken down as follows. Chapter 3 focuses on Protected Europe during the Cold War with chapter 4 focusing on Protected Europe in the post-Cold War era. Chapter 5 focuses on Confederal Europe and the Europe of States up to 1969 and chapter 6 on Confederal Europe and the Europe of States from 1969 through to the enlargements of 2005-07.

Chapter 3 argues that the establishment of Protected Europe, while generally welcomed by Western European states, created a division between those Western European states who were resigned to protected status and those resistant to it. The division created a logic of diversity which further entrenched the military and security dominance of the US in Western Europe. The only way for European states to secure autonomy from the US was to sacrifice autonomy to 'Europe'. The result was that Western European states found themselves in an autonomy trap.

Chapter 4 argues that the national interest of the US in securing stability in Europe continued after the end of the Cold War. However, a combination of new instability in the European neighbourhood and a weakening of the US commitment to the continent triggered a tentative and very limited move in the direction of EU foreign, security, and defence policies. The second decade of the 21st century may mark a turning point in which the US begins to retrench and

withdraw its commitment to Europe as a result of the combined effect of the rise of China and the US fiscal position. Such a development would mark a fundamental reshaping of European security.

Chapter 5 argues that Western European states chose to construct an economic confederation for two primary reasons, one external and one internal. Externally the confederation was a mechanism to secure autonomy from the US in the global economic system and to project power, collectively, into that system. Internally the confederation was a mechanism of managing the balance of power between France and West Germany. It was made possible by the desire of France to bind West Germany, and the willingness of West Germany to be bound.

Chapter 6 argues that the confederation continued to function as a mechanism of securing autonomy from the US and projecting power in the global economic system. Similarly the internal logic of managing the balance of power between France and West Germany persisted and perhaps reached its apex with the management of German reunification and the movement towards a European currency. However, chapter 6 also argues that two of the foundational components of Confederal Europe began to erode through the 1990s. First, Germany, having attained its national interest with reunification, became more assertive in the pursuit of more narrowly defined interests thus threatening the established Franco-German dynamic. Second, Confederal Europe became politicised through its assumption of new policy competences. The result was that, at the mass level, the permissive consensus that had allowed Confederal Europe to be constructed largely free from public scrutiny was transformed. Suddenly Confederal Europe found itself confronted by nationalist sentiments and deep questions of legitimacy that it has struggled, and continues to struggle, to counter.

Chapter 7 considers how this tension between Confederal Europe and the Europe of States has crystallised in the Eurozone crisis. Returning to classical realism, and its emphasis on the need to strike a balance between recognition of

the realities of power and the need for power to be tempered by morality, it considers possible ways of handling the crisis, and what the EU that emerges from the crisis might look like.

CHAPTER 1

CLASSICAL REALISM AND THE THREE EUROPEES

The thesis grows out of dissatisfaction with two features of existing research on the subject at hand. The first dissatisfaction is with the rather limited interaction between realism and European integration. Leaving aside a handful of academic articles (Grieco 1995, 1996; Mearsheimer 1990; Rosato 2011) there has been limited dialogue between this highly influential approach to IR and one of the most interesting developments in postwar world politics.¹ The neglect of European integration by realists has been counterbalanced somewhat recently with the publication of the first book-length treatment (Rosato 2010).

Yet this change feeds into a second dissatisfaction, namely the dominance within the realist tradition of a paradigm born of a distorted interpretation of Waltz's *Theory of International Politics* (1979). Rosato's work is a manifestation of a realist paradigm that stresses a handful of axioms and seeks to test hypotheses drawn from them against competing hypotheses derived from paradigmatic versions of liberalism, constructivism, and so forth. Both dissatisfactions combined to trigger a thesis that presents an analytical narrative of European integration grounded in classical realism. The purpose of this chapter is to interrogate classical realism as an approach to IR and to present the thesis' central argument. It correspondingly has just two major

¹ It must be noted that Grieco's articles are not attempts to theorise integration itself, but are rather attempts to explain the specific bargain that was the Maastricht Treaty. The failure of realism to engage with integration might be accounted for by the tendency of many leading IR scholars during the Cold War, especially those based in the US, to focus on the superpower rivalry between the US and the Soviet Union.

sections before a brief third section that outlines the structure of what is to follow.

1. The approach: classical realism²

Realism is one of the most important schools of thought in IR (Buzan 1996: 47; Lebow 2003: xi; Molloy 2006: 1). It is best thought of as ‘a philosophical disposition and set of assumptions about the world ... an attitude regarding the human condition’ (Gilpin 1984: 289-90). Realism is too diffuse to be reduced to a paradigm comprising a handful of axioms. Attempting to formulate a paradigm that could encompass thinkers as disparate as E.H. Carr, Martin Wight, John Herz, Kenneth Waltz, Robert Gilpin, and John Mearsheimer is a futile task. Wohlforth (2012: 502) has noted that Gilpin, for example, ‘did not believe that realism or its competitors were, could, or should be unified theories or internally coherent, scientific research programmes’. The advantage of not being placed into the straightjacket of a paradigm is that realism can be used flexibly to interpret and understand world politics. The strength of classical realism lies in its ability to approach world politics ‘with a kind of rational outline, a map that suggests to us the possible meanings of history’ (Morgenthau 1952: 966).

Realism stresses the overwhelming importance of power in the political realm. In its classical variant the distinction between politics *within* nations and politics *among* nations is one of degree, not one of kind. The intrastate world is usually closer to the hierarchical end, and the interstate world is usually closer to the anarchical end, of a spectrum (Lebow 2003: 224-26; Morgenthau 1978: 42, 174-78). But the fundamental nature of politics, namely the struggle by groups for power and control of their environment so that they might attain

² This section is not designed to be a comprehensive treatment of realism – that would be impossible given the vast complexities and countless nuances within the school – but rather to establish what is meant by interests, power, and international system.

their interests, transcends the interstate-intrastate divide. The emphasis is thus, in Morgenthau's (1978: 5) famous formulation, on 'interest defined in terms of power'. The struggle to use power to attain interests creates and shapes the international system itself.

Interests: the driving force of international politics

The primary actors in the contemporary international system are states.³ Strictly speaking states have no interests. Individuals have interests and when individuals form groups then it can be said that the group possesses an interest. Realism sees groups as 'the building blocks and ultimate units of social and political life' as opposed to 'the individuals of liberal thought', or 'the classes of Marxism' (Gilpin 1984: 290). In a world where resources are finite, individuals form into groups and, once insider/outsider distinctions are entrenched, they care more about the good of the part (the group) than the good of the whole (the totality of all groups). These 'conflict groups', as Dahrendorf (1959: 290) termed them, then compete with each other to control and shape their environment.⁴ States in the contemporary international system are thus best thought of as such conflict groups. Although they are not the only example of such groups – within the state one can conceptualise trade unions, pressure groups, political parties, and so forth as conflict groups – they are an example. In short, 'human beings confront one another ultimately as members of groups, and not as isolated individuals' (Gilpin 1984: 290).

³ Realism does not deny that actors other than states play a role – sometimes a major role – in the international system. They could be non-state actors, terrorist networks, multinational corporations, or international institutions. Essentially, as Haas (1964: 84) put it decades ago, any group capable of formulating interests and pressing for them effectively within the international system should be considered an actor in international politics. Ultimately the power to regulate activity in the international sphere rests with states through their possession of sovereignty. The *political will* to exercise this power may often be absent but the ultimate power still resides with states.

⁴ This dynamic has been characterised by Morgenthau (1946: 16) as the *animus dominandi*, or will to power.

The interest of the nation state, commonly termed 'the national interest' (see Morgenthau 1952) in realist literature, is not something that is determined by, for instance, the structure of the international system, the distribution of power within that system, or any other factor. The national interest has to be created; it has to be forged, by policymakers. There is thus a bargaining process within the state as to what the national interest will be. Realism can serve as a rational roadmap to help us understand the logic of how states form national interests and then pursue them (Morgenthau 1978: 5⁵). Thus it is an analytical framework. Yet it is also prescriptive and has a long history of being used to speak truth to power when policymakers distort the national interest or pursue policies that are in fact contrary to that interest.⁶ The national interest of a state can, in theory, range from isolationism to an attempt at hegemony. No theory – either of foreign policy or international relations – will give us much in the way of predictive power in this area. There is, in other words, no objective way of conceptualising the national interest (Morgenthau 1978: 6-7⁷). As Zakaria (1998: 18) observes, 'there are only two sensible ways to use the term: the first is to prescribe a set of wise foreign policy goals ... and the second is to describe what a nation's goals were at a given time'. Classical realism is, consciously, concerned with both uses of the term.

Beyond the dual inabilities to either predict the national interest of a state based on one or more factors – a situation in which the national interest is effectively reduced to the status of a dependent variable – or to identify an objective

⁵ Specifically, Morgenthau (1978: 5) remarks that 'we assume that statesmen think and act in terms of interest defined as power, and the evidence of history bears that assumption out. That assumption allows us to retrace and anticipate, as it were, the steps a statesman ... has taken or will take on the political scene ... The concept of interest defined as power imposes intellectual discipline upon the observer, infuses rational order into the subject matter of politics, and thus makes the theoretical understanding of politics possible'.

⁶ Realists of numerous stripes, from classical realists such as Morgenthau (1962, 1965) to neorealists such as Mearsheimer (2005), have upheld this tradition of speaking truth to power.

⁷ Specifically the 'key concept of interest defined as power is an objective category which is universally valid, but it [realism] does not endow that concept with a meaning that is fixed once and for all ... The kind of interest determining political action in a particular period of history depends upon the political and cultural context within which foreign policy is formulated' (Morgenthau 1978: 6-7).

national interest for a state, classical realism rejects the notion of a hierarchy of interests. In other words states do not always prioritise security over wealth, or vice-versa. The reality is far muddier; it is a reality in which 'every action or decision involves a trade-off, and the effort to achieve one objective inevitably involves costs with respect to some other desired goal' (Gilpin 1981: 19). Thus states seek a satisfactory bundle of welfare and security goals (the so-called guns versus butter trade-off).

Moreover, these goals are not separable in practice. Consider the US after 1945: it had established, even before World War II, a national interest in constructing an open and liberal global trading regime. Faced with the prospect of Western Europe falling into the communist sphere of influence after 1945, US policymakers decided that, in order to attain the American economic interest, they had to extend a military guarantee to Western Europe in order to keep it within the US sphere of influence. In Western Europe this then had the effect of altering the composition of the basket of welfare and security goods that states could attain. It is thus important when trying to understanding the 'national interest' of a state to appreciate that 'it is impossible in general terms to determine what bundles of security, economic, or other objectives will satisfy states' (Gilpin 1981: 21).

Perhaps the most general we can be is to elaborate a set of interests that have driven states throughout history. Gilpin (1981: 23-25) identifies three:

- (1) the 'conquest of territory in order to advance economic, security, and other interests';
- (2) to 'increase their influence over the behavior of other states'; and
- (3) to 'control, or at least exercise influence over the world economy, or what may be more properly called the international division of labor'.

Gilpin notes that the control of territory, in an imperial sense, has gone out of fashion due to both normative re-evaluations (the importance afforded to the status of national self-determination) and changes in the nature of industrial and military technology. But control over territory, through the establishment of military alliances, overseas bases, and the stationing of troops on other territories continues and has been a common practice of the US in the postwar era. This attempt at control, while not imperial in the conventional usage of the term, has been termed an 'empire of bases' (Johnson 2006: 278).

Control is in fact a dominant concern in classical realism. As Martin Wight (1991: 112) observed, 'the basic national interest is to maintain freedom of action'. There is thus a realist logic in international politics in which the dominant states tend towards a policy of control and power accumulation so as to entrench their interests.⁸ As Mandelbaum (1987: 134-35) suggests the strong are, to some extent, all the same in that 'they expand'.⁹ The historian Paul Kennedy (1987: xxii) supports this position, remarking that 'there is a very clear connection between an individual Great Power's economic rise and fall and its growth and decline as an important military power (or world empire)'. It is thus apparent that, for realists, the ability to attain interests is largely down to the possession, and prudent use, of power. You must possess power in order to be able to autonomously define your own interests. Given that 'one power's security is another power's insecurity' (Wight 1991: 114), it is imperative to possess power if you are to pursue interests. Power, for classical realists, is the currency of international politics. It is the mechanism by which interests are attained, the field in which those interests operate, and as such is a commodity that is sought after by states.

⁸ Whether this drive for control and power is, at root, the result of human nature and the *animus dominandi* or the incentive structure of the formally anarchical international system is a debate that cannot be settled here.

⁹ More specifically, Mandelbaum (1987: 134-5) writes: 'They send their soldiers, ships, and public and private agents abroad. They fight wars, guard borders, and administer territories and people of different languages, customs, and beliefs far from their own capitals. They exert influence on foreigners in a variety of ways ... The strong do to others what others cannot do to them'.

Power: the currency of international politics

Classical realists agree that the struggle for power is, to quote Morgenthau (1946: 16), 'a constitutive element of all human associations, from the family through fraternal and professional associations and local political organizations to the state'. Yet 'the concept of power is one of the most troublesome in the field of international relations and, more generally, political science' (Gilpin 1981: 13). The troublesome nature of the concept led many IR scholars to attempt to operationalise and quantify power in an attempt to make it easier to deploy in theoretical argument. Such neo-positivist approaches to IR adopt a fairly instrumental and one-dimensional approach to power. Power must be transformed from an amorphous, psychological, and sociological phenomenon into something clearly detectable and measurable.¹⁰

Classical realism does not conceptualise power in this way (Lebow 2003: 230-33). Morgenthau (1962: 131, 180-81) saw power as something intangible, made up of both material and immaterial, or political, components. Certainly territory, population, national resources, industrial capacity, and military expenditure and technological capacity are vital components of the power of a state (Morgenthau 1978: 117-34). But they are only part of an equation that includes national character, morale, and the quality of diplomacy. Indeed it is this last element that is, according to Morgenthau (1978: 146¹¹), 'the most important'. Morgenthau (1978: 146) neatly summarised that diplomacy 'was the brains of national power' with national morale 'as its soul'. Morgenthau (1978: 149-50)

¹⁰ A perfect illustration of this is Rosato's (2011: 55) ratios of military power that he deploys as empirical evidence in favour of his thesis that European integration was a mechanism of balancing Soviet power.

¹¹ Specifically, 'of all the factors that make for the power of a nation, the most important, however unstable, is the quality of diplomacy. All the other factors that determine national power are, as it were, the raw material out of which the power of a nation is fashioned. The quality of a nation's diplomacy combines those different factors into an integrated whole, gives them direction and weight, and awakens their slumbering potentialities by giving them the breath of actual power' (Morgenthau 1978: 146).

lists examples of states whose political power exceeded what one might think they were capable of based on a simple reading of material capabilities. Morgenthau 'believed that power was so much a function of leadership and morale that explanations and predictions based on estimates of material capability were meaningless' (Lebow 2003: 231). The message is clear: in order to be understood, power must be contextualised.

Morgenthau (1978: 9) was clear in his belief that power was a complex, psychological relationship. Or, as Hurrell (2007: 39) puts it, 'power is a social attribute'. A quick glance at postwar Europe would support this view. Despite being re-established as the dominant power in Western Europe by the late 1950s, West Germany continued to play a supporting role to France in the construction of the Western European system. The reason for this cannot be understood through a simple quantification of their economic power. Rather what must be understood is the way that a West German national interest was formed in the postwar years. It was a national interest that prioritised German reunification and, in service of that interest, good and stable relations with its European neighbours. The national interest had, as its derivative, a willingness to tame and restrain its own power. Thus, during much of the period analysed herein, one of the most important elements of French power was the social dynamic that persisted between France and West Germany.

Carr's belief that power was something far more complex than the ability to dominate others echoes this interpretation. While domination and the ability to coerce were certainly part of the picture they were only one dimension, or face, of power (see Lukes 2005¹²). Carr parsed power into three elements: military power, economic power, and ideational power.¹³ Carr stressed that all three

¹² In perhaps the leading conceptual study of power, the sociologist Steven Lukes (1974) identified three dimensions of power. The first was the ability to coerce or persuade using carrots and sticks; the second was the ability to shape and control an agenda; and the third was the ability to get other actors to want what you wanted, in other words to alter their interests without them necessarily realising it.

¹³ Carr employed the term 'power over opinion'. In parsing the concept in this way Carr is similar to the noted sociologist Michael Mann whose epic *Sources of Social Power* (1986, 1993) identified military, economic, ideological, and political power.

elements of power were interconnected. For example, in pursuing economic interests and using economic power to establish specific rules for the international economic system in the nineteenth century, the UK also employed ideational power. It fostered and disseminated the idea of a harmony of interests and this put an ideational varnish on more base motives (Carr 2001 [1939]: 75-78). Ideas and beliefs are, for Carr and other classical realists, borne of power and the position that a state holds in the hierarchy of power. An awareness of non-material forms of power (Carr 2001 [1939]: 120-30) and the importance of being able to establish the rules of the game is shared by many classical realists.

While ideational power can take numerous forms, a specific concern of this thesis is the power over opinion held by nationalism. Hurrell (2007: 38) notes that 'strong identification with an ethnic group, with a nationalist movement, or with a nation-state makes it easier for political leaders to extract resources'. The literature on nationalism is vast and the complexities of it cannot be engaged with here.¹⁴ Without delving into too much detail, it can be said that nationalism, as an idea, has helped to buttress the power and resilience of nation-states. Despite Carr's (1945) prediction that nationalism had reached a crescendo with World War II, and would subsequently fade as a factor in postwar Europe, it remained a potent force. Hoffmann (1966: 863-64, 870), writing with the benefit of hindsight, was closer to the mark when he observed that the demise of nationalism was but a temporary phenomena in postwar Europe. The nationalism that re-emerged in postwar Europe was, thankfully, not the destructive and bellicose kind that had animated earlier decades. Nevertheless, it strengthened insider/outsider distinctions, highlighted loyalty to the imagined community of the nation-state (see Anderson 1983), and to borrow Carr's (2001 [1939]: 150-53) phrase, entrenched the sentiment that the

¹⁴ From an IR perspective nationalism has been written about most interestingly by James Mayall (1990). Working at the realist-end of the English School Mayall's work is attuned to the contradictory impact of nationalism in world politics. Mayall sees it as working both to buttress the nation-state system but also, in places, to erode and fragment nation-states through sub-state nationalist movements who seek self-determination. Key works outside of IR include Gellner (1983), Smith (1991), Gans (2003), Herb and Kaplan (2008).

good of the whole (Europe) did not outweigh the good of the part (the nation-state).

The idea of nationalism plays a powerful role in stabilising and legitimising power. As Wight (1991: 99) put it: 'the fundamental problem of politics is the justification of power ... it must be justified by reference to some source outside or beyond itself, and thus be transformed into "authority"'. The nation-state in postwar Europe has remained a legitimate institution; it is supported by a sense of national identity. Such power over opinion is severely lacking on the part of the EU. The idea of supranationalism has never possessed the resonance or legitimating capacity that nationalism has. Indeed the term supranationalism more readily conjures up the idea of specific mechanisms of EU policymaking and governance than it does a powerful idea that can be deployed on the same terrain as nationalism. In short the EU is starved of the sort of legitimating idea, a source of power in and of itself, which has helped buttress the nation-state.¹⁵

Despite the centrality of power in classical realism it did not exist in a vacuum but rather in dialectic with morality (Carr (2001 [1939]: 91-95; Morgenthau 1946: 176-77). The dialectic takes place within the international system (Carr 1939 [2001]: 147; Morgenthau 1978: 234, 237). While differing in their terminology (see Molloy 2006: 29-31, 32-4) both Carr and Morgenthau were conscious of the extent to which a civilising motive tended to reign in the worst excesses of power politics. For both, the interaction between the desire for power and the revolt or reaction against that desire – necessary to avert total destruction and establish some semblance of order – is present in both domestic and international politics. The difference is that the role of power is amplified, and the role of morality correspondingly reduced, in international politics. But the difference, it is crucial to note, is a difference of degree and not one of kind.

¹⁵ It must be noted that supranationalism, as an idea, did have some resonance amongst certain resistance movements during World War II itself. However it was not capable of gaining sufficient traction to stand up to nation-states that reasserted themselves following the end of the war in 1945. Mazower (1999: 205) summed it up: 'Patriotism ... was far more important than "Europeanism" as a motive for resistance'.

It is the distribution of power, however, that ultimately 'determines who governs the international system and whose interests are principally promoted by the functioning of the system' (Gilpin 1981: 29). As Carr (2001 [1939]: 100) put it, 'international government is, in effect, government by that state which supplies the power necessary for the purpose of governing'. Power is thus central to the international systems' structure and governing principles.

International system(s): the context of international politics

Zakaria (1998: 34) notes that the international system results 'not from the attributes and preferences of a single country, but from the interaction of several states within an international context'. The term international system is an ambiguous one within the international relations literature. As a result of the juxtaposition of neorealist/neoliberal theory, on the one hand, and English School theory on the other, a contrast has been created between international system and international society (Jackson 2000: 113-16¹⁶). While the systems-versus-society debate has been the subject of much discussion it is not something that this thesis will dwell upon. Classical realists such as Carr, Morgenthau, and Gilpin all used the terms interchangeably. But what united them was a rejection of the notion that international systems were purely instrumental (that is, non-normative). The notion that international systems, whether regional or global, are formed through the interaction of state interests and power unite the three. But those systems are almost always founded on something more than material power. They usually have a legitimising ideology (Gilpin 1981: 30), whether it be the harmony of interests and *laissez-faire* of the

¹⁶ Invoking Bull (1977: 10-14) Jackson (2000: 113-16) remarks that international systems obtain 'where states are in regular contact with one another, and where in addition there is interaction between them sufficient to make the behavior of each a necessary element in the calculations of the other'. International society, on the other hand, exists 'when a group of states, conscious of certain common interests and common values, form a society in the sense that they conceive themselves to be bound by a common set of rules in their relations with one another, and share in the working of common institutions'.

nineteenth century system (reflecting the interests of the UK), or the Open Door ideology of the 20th century system (reflecting the interests of the US).

This thesis employs the term 'system' throughout. 'International system' refers to the global postwar system while 'Western European system' (during the Cold War) and 'European system' (in the post-Cold War era) are used to refer to the compartmentalised regional system of the continent. The aim is to show how the two are interactive, the former giving impetus to the latter, and the latter then seeking to gain autonomy from and within the former. The focus is on the most powerful actors within the two systems in recognition of Aron's (1966: 95) observation that international systems are *oligopolies*, by which he meant that 'the principal actors have determined the system more than they have been determined by it'. This is true of the US and the international system since 1945 militarily, economically, and ideationally. The states of Europe have been on the receiving end and, while happy to consume the public good of security provided by the US, their move to pool their economic weight represents that same interest in control and autonomy that was described earlier. The realities of power, however, mean that only through some form of union could such an effort be made.

Once established, international systems and any institutions that form part of the system play a role in shaping the interests of states. There is a feedback mechanism that results from the creation of systems that are infused with a certain set of values, norms, and beliefs.¹⁷ Systems are thus, at one and the same time, opportunities and constraints. The idea that the system's characteristics are the result of conscious foreign policy decisions by powerful states is core to classical realism's outlook. Furthermore, the notion that the constituent elements of such systems can turn on a dime must be refuted. Such systems, although they can be, tend not to be created through sheer coercion and brute force but rather through a combination of material and ideational power,

¹⁷ As Gilpin (1981: 25-6) put it, once in place 'the international system itself has a reciprocal influence on state behavior; it affects the ways in which individuals, groups, and states seek to achieve their goals'.

combining together to create systems and structures that take hold at a deep and sociological level. Although a rational choice, cost-benefit perspective might suggest that those structures and systems should change at a certain point in time, the sociological aspects of those systems and structures make them somewhat 'sticky', to use an economist's term, or path-dependent to use an institutionalist's term.

There is a path-dependent aspect to the development of international systems. Although typically associated with historical institutionalism (see Pierson 1996, 1998) the notion that the way in which an international system is set up will shape the way it develops is not a controversial one to classical realists. The majority of adjustments to international systems tend to be incremental and serve to amend an established system in some way (Gilpin 1981: 43-4). More significant changes, affecting the system itself, occur less frequently and tend to be more revolutionary than evolutionary. For the analysis herein the establishment of a new global system in 1945 might be deemed a change at the systemic level. However, much of what has transpired since – leaving aside the important exception of the end of the Cold War – has been incremental and concerned with adjusting the operation of a pre-existing system. In such changes, what has gone before and what is already established are vital.

There are issues of ontological security (see Laing 1969 [1990]: Ch. 3) bound up in the maintenance and operation of such international systems. Bull (1977: 7-8) observed that people and states value order because it allows for some predictability. The creation of international and regional systems is done for the very purpose of providing some sense of structure and order into the formal anarchy that is international relations. Giddens (1984: 50-51, 1990: 92-100) has pointed out that the stabilising function played by such structures is essential and helps to reduce anxiety. When these systems are disrupted, it creates a deep sense of anxiety, or ontological insecurity. Thus systems, once created, redefine the boundaries of acceptable behaviour. Of course there is always room for creative interpretation and the systems themselves can change. But the system

in place at a given time, and the ideas bound up in supporting and legitimising it, constrain the capacity for states to behave contra the rules of that system.

Such constraints matter. They distinguish classical realism from the more ahistorical aspects of neorealism. When scholars such as Mearsheimer (1990) contend that if US military forces were withdrawn from Europe, the continent would descend back into anarchy they are revealing their ahistorical position. They are revealing a position in which decades of social interaction between nation-states, in a highly institutionalised setting, counts for nothing. Such interactions, viewed through an ahistorical lens, change nothing and were made possible only by the support of military power. Take that military power away and the rootless nature of the changes will be revealed. Classical realism views international systems in a more historical and sociological way and takes seriously the capacity to deconstruct identities and recast them over time.

Of course focusing on the construction and development of an international system at the macro-historical level entails a sacrificing of considerable detail at the micro-level. The post-war European international system did not form through the operation of some hidden-hand. Rather it formed through the combined effect of a number of discrete foreign policy decisions. Each one of these decisions represents a complex event that could be studied in its own right. The focus on macro-historical processes and the nature of a system itself inevitably means sacrificing detail at the micro-level. However, and this is crucial, the classical realist narrative contained herein does not black box the state and it does not treat state preferences as fixed or driven purely by rational cost-benefit analyses. It takes seriously the notion that state interests are constructed, but is limited as to the extent to which it can delve into the complexities of such constructions.

Having considered how classical realism views interests, power, and the international system it is now appropriate to spell out more precisely the argument to be advanced in the thesis.

2. The argument: 'Three Europes'

The starting point for the analytical narrative contained herein is the end of World War II. Europe, once its own distinct system of states, was divided as a result of a new balance of power that crystallised over 1945-1949. In Central and Eastern Europe, the Soviet Union established a sphere of interest through firm, and often brutal, measures. In Western Europe the United States established a similar sphere of interest albeit it through more legitimate, softer measures (Gaddis 2005: 18-34). For the next four decades the continent of Europe remained in this divided state. The two superpowers injected significant amounts of power – military, economic, and ideational – into their respective spheres and sought to shape them in their own interests. The global balance of power between the US and the Soviet Union manifested itself in Europe as what de Gaulle called 'the two hegemonies' (Bozo 2001: 147).

The end of the Cold War and the collapse of the Soviet Union marked a significant shift in the global balance of power and the ending of the 'two hegemonies'. It was a point at which the US, as the victor of the Cold War, could have re-evaluated its national interest and withdrawn its power in a significant way from Europe. Yet this did not happen and, in fact, the US not only re-affirmed its commitment to European security but also extended its reach to include Central and Eastern European states that had previously fallen under Soviet hegemony. The development of the Western European regional system within the context of, and in response to, the global system is crucial. The focus herein is therefore on the interests of the most powerful states in both the global and the regional system. It is through the interaction of those interests, and the distribution of power, that new global and regional systems are formed.

The thesis is concerned with how specific decisions by powerful states created a distinct system of international relations within Western Europe, a system that was subsequently extended following the collapse of the Soviet Union. While

recognising the validity of Peterson's (2001: 291) claim that the EU 'is a polity that operates simultaneously at different levels', the thesis draws necessary boundaries to narrow the scope of enquiry and is not primarily focused on the inter-institutional dynamics of the EU or the technicalities of how treaty revisions have amended the power of those institutions. The question that this thesis seeks to answer is: how have calculations of power and interests shaped the development of the European international system since 1945?

The fundamental argument of the thesis is simple. It conceptualises 'three Europes'¹⁸ coexisting since 1945. The first Europe is a product of US military power and the global and regional security structures that were put in place in the years following World War II. It is one in which the classic security dilemma has been ameliorated by the injection of a significant amount of US military power, serving as a security guarantee.

The second Europe is a product of US economic power and the global economic structure that the US erected following World War II. It is one in which the nation states of Europe, searching for a way to ensure some autonomy and capacity for power projection within that global economic system, have formed an economic confederation to that end. The second Europe has allowed its members to enrich themselves and become, to a degree, autonomous in the global economic system.

The third Europe is a product of Europe's own history. It is one in which distinct nation states with specific national outlooks and identities retain the central role in the regional system. For simplicity's sake they are termed, herein, Protected Europe, Confederal Europe, and the Europe of States.

At the most abstract level the thesis conceptualises the relationship between the three as follows:

¹⁸ To be technically accurate it is 'three Western Europes' until the end of the Cold War, which then becomes 'three Europes' after the Cold War. But for ease of reading the term 'three Europes' will be used throughout.

- The first stabilises and supports the second and third; and
- The second and third exist in a state of tension with each other. A fault line characterises the relationship between Confederal Europe and the Europe of States. Over time a greater degree of policy competence has been transferred from the states to the confederation.
- There has not been a corresponding transfer of political power and legitimacy; these have remained almost exclusively national. The fault line between a confederal economic structure and a national political structure is the biggest threat to the stability of the European system (see figure 1.1).

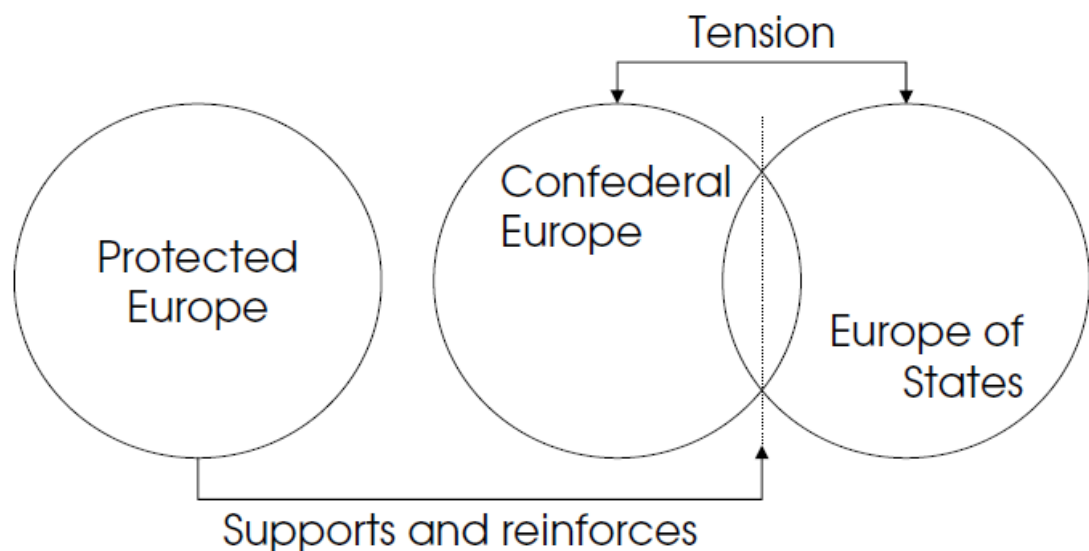


Figure 1.1. The relationship between the 'three Europes'.

Protected Europe

The first Europe is Protected Europe. Not only was it the first structure to form following 1945, it is also the most important for understanding the development of the postwar Western European, and later post-Cold War European, systems.

It is this structure that explains the rather artificial character of the Western European system that emerged from World War II. Typically, international relations scholars see nation states as interacting within anarchy. The use of the term anarchy has often caused confusion, conjuring up images of a Hobbesian state of a war of all against all. However, when classical realists spoke of anarchy this is not what they meant (Wight 1978: 105). Rather, they meant that politics among nations was a formal anarchy in the sense that there was no overarching sovereign body, no government of the governments, to enforce order. This is true but it does not, of necessity, lead to the conclusion that all states in the system are constantly in a state of, or at least thinking about the prospect of, a war of all against all.

Even in its less bellicose conceptualisation, anarchy can be mitigated. Mearsheimer (2001: 415) himself has noted that 'if one state achieves hegemony, the system ceases to be anarchic and becomes hierarchic'. This is precisely what happened in Western Europe after World War II. These are not absolute categories. It is better, and more accurate to think of a spectrum that ranges from anarchy to hierarchy. No state-system resides at either extreme end of the scale. The decision by a powerful state to pursue a strategy of hegemony can thus have the impact of moving a system along the spectrum from anarchy to hierarchy (Gilpin 1981: 28). Following its victory in World War II, the US emerged as the preponderant power in the global system (Leffler 1992: 2-3). From this position of strength it resolved to pursue a hegemonic policy grounded in both economic and security interests. The two were intertwined with security guarantees serving to maintain the openness of various markets and the stability of US trading partners.

The hegemonic role adopted by the US in the Western European security architecture crystallised in the North Atlantic Treaty Organization (NATO). NATO was effectively an acceptance by the US of an invitation by Western Europeans to inject their military power into Western Europe in order to stabilise the region and allow them to both feel secure against the threat of the

Soviet Union and also the nascent threat of a vanquished Germany (Lundestad 1986). The development of NATO from a paper-based commitment to an integrated force buttressed by over 350,000 US troops stationed in Western Europe and backed up by nuclear weapons transformed the logic of the Western European system.

It was the intrusion of overwhelming military power that facilitated this transformation, ameliorated the security dilemma within Western Europe, and provided security against the Soviet Union. The Warsaw Pact and the presence of large numbers of Soviet troops mirrored NATO in the Eastern European system. This was the manifestation of the 'two hegemonies' to which de Gaulle was so staunchly opposed. The injection of massive military power turned both Western and Eastern Europe into military protectorates in which the most significant national and international security challenges were dealt with by outside hegemonic powers. It was a derivative of the balance of power system that was operating at the global level between the superpowers (figure 1.2).

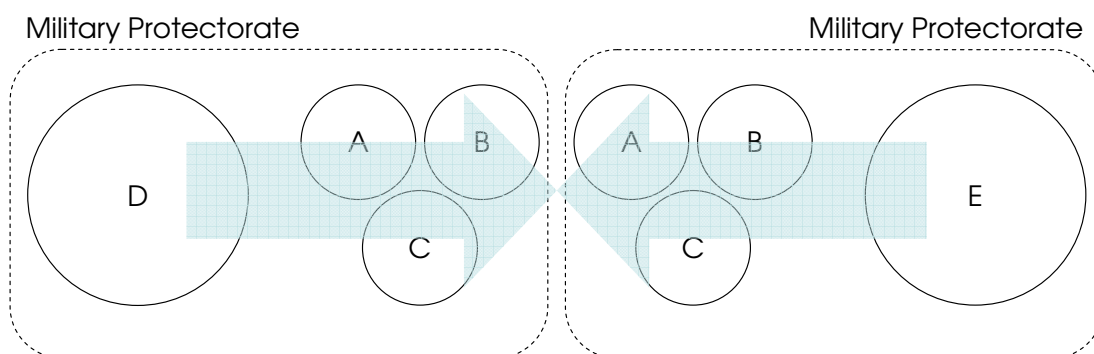


Figure 1.2. The 'two hegemonies' in the military sphere. **Note.** In this model D (the United States) creates a military protectorate for Western European states (A, B, C, ...) and E (the Soviet Union) does likewise in Eastern Europe. The blue arrows represent the balance of power between the two superpowers that underpins the system.

This dynamic persisted between 1949 and 1989. It created a tolerable pan-European equilibrium, despite the occasional crisis moment, but it had a very specific impact *within* the Western European system. The adjustment required

by Western European states, which were accustomed to being first-rank global powers, to middle-power status was difficult. It created within Western Europe a division between those who were reconciled to the situation (principally the UK and West Germany) and those who were resistant (principally France). The division prevented the emergence of a unified effort to forge a 'third force' capable of challenging the preponderance of the US and either transforming the military protectorate into a genuine US-Western European military partnership or, in a grander vision, a pan-European system free from US and Soviet domination.

The collapse of that framework over 1989-1991 did not, as might have been expected, lead to a significant change in the US national interest. Instead of retrenching and withdrawing its forces and military power from Western Europe, the US extended its security guarantee and its military power into Central and Eastern Europe. This was done through several rounds of NATO enlargement and was motivated by the same national interest as had motivated the US at the end of World War II, namely to ensure open markets within a stable and secure environment and to contain Russia. The same dynamic of military protection that had persisted during the Cold War was maintained in the post-Cold War era, although now it was a derivative of a new balance of power system that was unipolar in nature (figure 1.3).

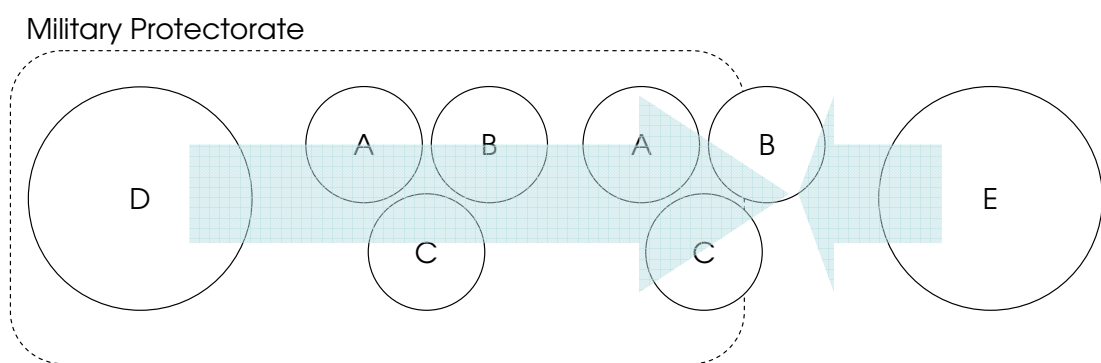


Figure 1.3. Extending a military protectorate. **Note.** In this model D (the United States) extends its military protectorate into the former hegemonic sphere of E (the Soviet Union).

Confederal Europe

The second Europe is Confederal Europe. It was formed in 1958 with the emergence of the EEC and followed several experiments with functional organisations in the Western European system. The EEC was of a fundamentally different character than the European Coal and Steel Community (ECSC) that preceded it and the European Atomic Energy Agency (EURATOM) that emerged alongside it. Confederal Europe is undoubtedly the most 'European' of the three Europes and formed behind the protective shield that was NATO. The primacy of protected Europe in creating the context in which confederal Europe could emerge and develop should not be underestimated (Calleo 2001: 135).

Beyond providing the stability and security necessary to ameliorate the security dilemma that would otherwise have characterised inter-state relations in Western Europe (Herz 1959: 24), the protectorate altered the so-called guns-versus-butter trade off. The guns-versus-butter issue can be conceived in a similar way to how modern economics views indifference curves.¹⁹ The essence of indifference analysis is that 'individuals have numerous objectives and are willing to accept varying bundles of these objectives' (Gilpin 1981: 20). Rather states seek to find some optimum combination of security and welfare.

The provision of international and national security by the US during the Cold War certainly made the task of economic reconstruction and the maintenance of welfare states significantly easier. It will remain a counterfactual how Western

¹⁹ Put in the simplest terms possible, an indifference curve is a curve showing all combinations of commodities that yield equal satisfaction to the consumer. Increases in income shift the budget line outwards parallel to itself, moving the equilibrium of a consumer further away from the origin. The analogy to the US is effectively that, by supplying a good proportion of national and international security, including the monetary costs of such security, the US had the effect – in economic terms – of shifting the price-consumption line of Western European states. The effect was to decrease the price of security and, as this happens, with money income (GDP) and the price of butter (state welfare costs for example) held constant the budget line pivots outwards and the equilibrium position moves further from the point of origin, that is to a position of higher utility (figure 1.4.).

European states would have determined their guns-versus-butter trade-off in the absence of the US military protectorate. But what is certain is that more resources would have been diverted to guns over those of butter. That, in turn, would have had significant repercussions for the development of the Western European system economically and politically. The bottom line is this: the Western European system that emerged from the ashes of World War II was characterised by the bipolarity of the Cold War that 'defined strategic relations in Europe and globally, and it also set the framework for Western Europe's political-economic integration' (Calleo 2001: 111).

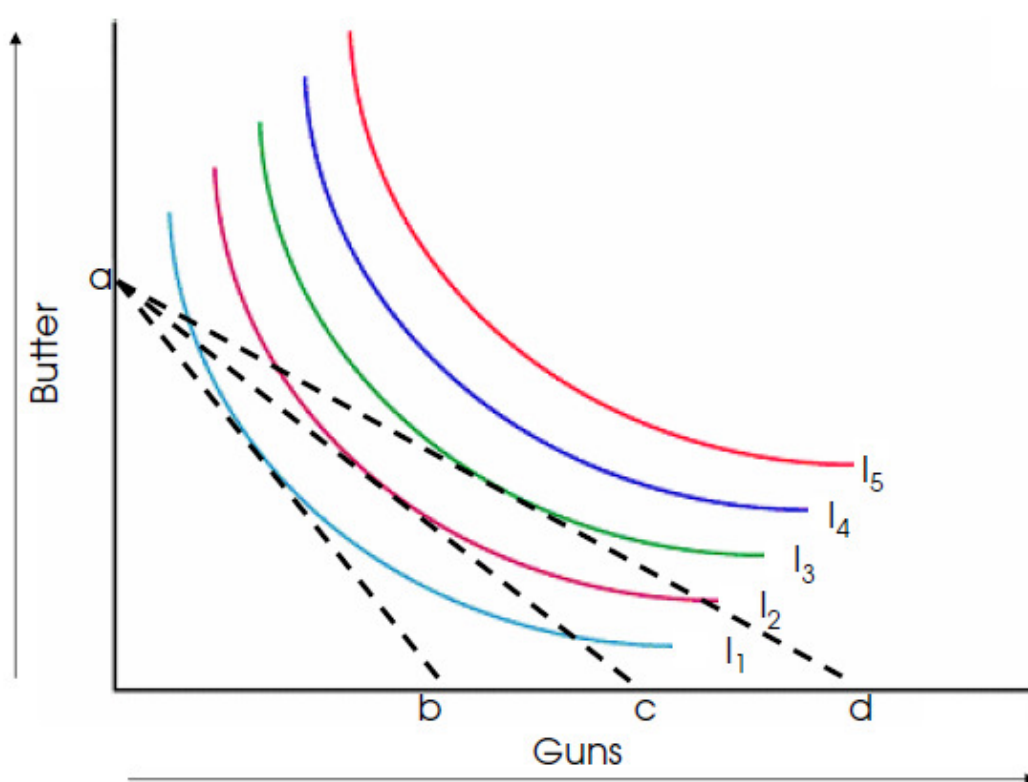


Figure 1.4. A stylised indifference curve for guns vs. butter

The injection of US military power into Western Europe, as stated in the previous section, had as its primary aim the stabilisation of the region. It was designed to ensure that Western Europe remained open to US exports and investment. This policy, often termed the 'Open Door' policy, served a key US

national interest. As its most famous theorist put it, the Open Door was about using the US' 'preponderant economic strength,' to extend US 'economic and political power throughout the world' (Williams 1962: 37-38). The Open Door policy predated the victory of 1945 but it was only after World War II that the distribution of power in the global system enabled the US to advance its national interest (Costigliola 1984: 263-65). Hogan (1984: 289) has demonstrated that 'European integration and German reintegration' were the primary national interests of the US in Western Europe after both World War I and World War II. The difference between the two periods was that whereas the US was the most powerful state in the global system in 1918 it was far from preponderant. The distribution of power in the system was not, in 1918, conducive to either the US taking on such a transformative role in Western Europe or the US recasting the global economic order. There were also powerful domestic economic obstacles that prevented the US from assuming such a role. The situation was different in 1945.

The postwar global economic system established, with the Bretton Woods institutions at the core, was the system that Western European states had to operate within from the late 1940s onwards. The US injected a massive amount of economic power, through the Marshall Plan, to help get Western Europe back on its feet again economically. They also actively encouraged the move towards integration because, in the words of Undersecretary of State William Clayton, they needed 'markets – big markets – in which to buy and sell' (quoted in Mee Jr. 1984: 79). Integrated European economies would be more efficient, would boost productivity, and would provide a better opportunity for US investment. The move away from compartmentalised economies would negate the possibility of Western Europe lapsing back into the nationalism and autarky that had characterised the depression years. The US used their economic power and their structural power to embed Western Europe in a global economic system of US design.

Realising that the weight of the US in this economic system far outweighed the weight of any individual Western European state, there was a move on the continent to establish an economic confederation that would provide for a large, protected market. The confederation would serve the dual purpose of increasing the collective autonomy of its members in relation to the US and also increasing the collective capacity to project economic power into the global economic system itself (figure 1.5). The opening paragraphs of the Spaak Report (1956: 9, 13), which laid the groundwork for the EEC, stated as much. More recently, from within the academy, Warleigh (1998) has made the case that understanding the EU as an economic confederation is far more enlightening than conceptualising it as either a run-of-the-mill international organisation, on the one hand, or a federal state, on the other. Confederations are voluntary and contractual unions of states in which the supranational institutions that are created to ensure the smooth functioning of the confederation are what distinguish them from international organisations (Warleigh 1998: 2).²⁰

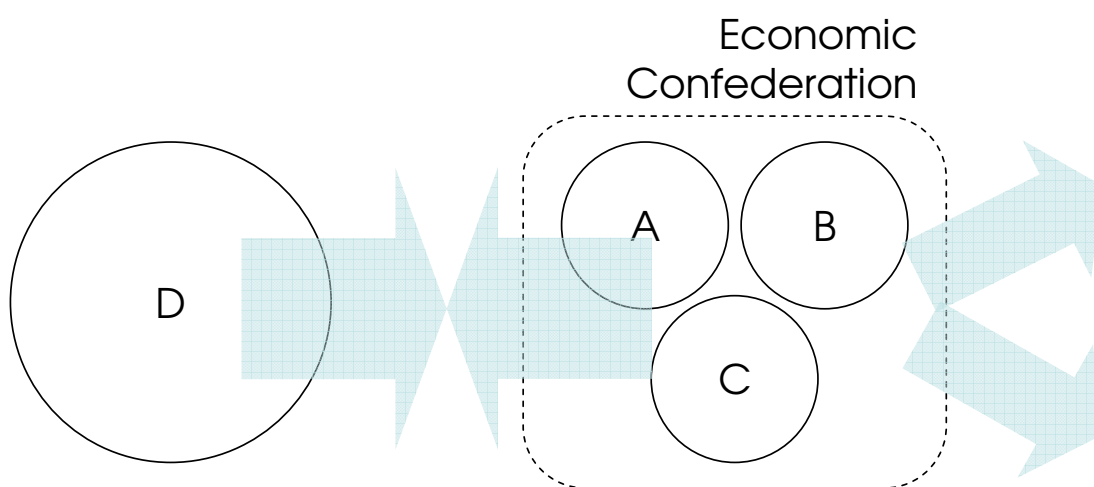


Figure 1.5. The logic of confederation. **Note.** In this model A, B, C, ... (Western European states) pool their resources so as to balance against the dominant power D (the United States) and to project their collective power.

²⁰ Forsyth (1981: 176) remarked that ‘the former imperial powers of Europe found themselves more than ever exposed to, and dwarfed by, the sovereign states that had expanded their internal markets during the previous one hundred years ... through the development of their own “backyards” – namely the United States of America and the Soviet Union’.

Conceptualised as a confederation the EEC/EU becomes far less of an anomaly in the history of international relations than it is often seen to be. Confederations have been features of the landscape of European international politics for many centuries with primary examples including the United Provinces of the Netherlands (1579-1795) and German Bund (1815-1866). It is entirely logical for 'smaller states to band deliberately together by way of a mutual and reciprocal guarantee pact between themselves in order to create ... a more powerful unity in place of multiplicity' (Forsyth 1981: 206). Faced with a global economic system that entrenched an ideology – free trade and open investment – that was more beneficial to the US than to any other states, it was entirely logical for 'Europeans to cooperate with each other – to build a confederal economy to shelter and enhance their resurgent national economies' (Calleo 2001: 92).

Confederations are not, however, necessarily about equality of membership. The dominance of Holland (a middle-power by any fair reckoning) within the United Provinces of the Netherlands and, similarly, the dominance of Prussia and Austria within the German Bund, belie that notion. Thus the reality that France and Germany have been the principal driving forces within confederal Europe is not all that surprising. In a sort of Russian-doll type structure we see the Great Powers – the US and the Soviet Union – setting the context in which the Middle Powers – France, West Germany, and the UK – must operate and, in turn, those Middle Powers exerting their power and influence on the Small Powers – such as Belgium, Luxembourg, the Netherlands, etc. – within a union of states. Indeed the Franco-West German bargain is the diplomatic and power-political engine of confederal Europe. Confederations are thus entities in which members are formally equal, but this formal equality 'may mask power differences which both stronger and weaker states wish to contain for the sake of collective, and greater, advantage. The EU, then, is emphatically not an entity without precedent, even if its particular institutional arrangements are unique' (Warleigh 1998: 3).

There was, for several decades after World War II, a complementary element in the foreign policies of France and West Germany that allowed the necessary accommodation to be reached that could underpin Confederal Europe. Neither France nor West Germany sought a major revision of the structures of the system but they did seek a greater amount of power and control within that system. The process by which West Germany 'Europeanised' its interests following its establishment in 1949 – a process in which it ceased to speak the usual language of the national interest and instead adopted a cautious and relatively non-assertive approach to its foreign policy (Bulmer et al. 2010: 2-7) – worked in tandem with France's desire for prestige and its wish to use Europe as a means to that end. A balance was established whereby France would exert political leadership of Europe, thus delivering prestige, and West Germany supplied a considerable chunk of the power without adopting an assertive stance, thus rebuilding the trust and confidence of its European neighbours. Paterson (2011: 61) summed it up pithily: 'Germany needed France to disguise its strength and France needed Germany to disguise its weakness and the Franco-German alliance was for a long time the axial relationship in the EU'. West Germany was happy to 'displace responsibility', in the words of Charlie Jeffery, and to 'have others govern us' in addition to adopting a 'Europeanised' outlook as 'an insurance policy' because they did not entirely trust themselves to govern (quoted in Paterson 2011: 59).

Confederal Europe thus possessed an external and an internal logic. In addition to securing greater, albeit collective, autonomy and power projection capabilities within the global system, Confederal Europe was a device to bind West Germany into something distinctly European and also to exert some degree of control over West Germany's economic might.²¹ So, simplifying to some extent, Confederal Europe is geared towards balancing externally and binding internally. It is focused on balancing the largest power externally. It is

²¹ As will be shown in subsequent chapters this strategy of using confederal Europe to bind West Germany was particularly focused on monetary politics as the Deutschmark secured a dominant position in the European monetary order.

focused on binding the prospective, and increasingly the evident, largest regional power internally. However, while her European neighbours may have sought to bind West Germany in to a European economic structure, West Germany had to be willing to go along with structure. We are thus reminded of Hoffmann's (1995: 282) axiom: 'it is', he wrote 'impossible to understand the nature of an international system without looking at the character of the leading states'.

The binding strategy was thus only possible because West Germany was for the majority of the postwar period concerned with one overriding national interest, namely the reunification of Germany. Realising that rehabilitating its relations with its neighbours was essential to that end, West Germany became a tamed and Europeanised power (Bulmer and Paterson 2010). Its foreign diplomatic policy was always in the service of its broader strategic interest in reunification and, as a result, it was content to sacrifice narrower, short-term interests and to play a supporting role, within a confederal structure, to France. Throughout the Cold War years West Germany was almost entirely dependent on the US for its security and was never quite fully sovereign. It was 'deficient in "actorness"' and Confederal Europe 'offered it an opportunity to expand its role as an actor; by pooling formal sovereignty, the Federal Republic was gaining in actual sovereignty' (Paterson 2011: 58). The danger for Confederal Europe in the twenty-first century is that, having achieved reunification, the tamed and Europeanised Germany may be being replaced by a Germany that has 'normalised', and is both content to pursue narrower interests and keen to play a leadership role within the confederation (Bulmer and Paterson 2010). In turn an adjustment will have to be made – arguably a fundamental reversal – of the 'France leads, Germany follows' model. As the *Financial Times*' chief political commentator put it, 'Germany will have to learn leadership, and France followship. Both will find it a wrenching experience' (Stephens 2011).

The Europe of States

Viewed as an economic confederation, and compared to historical examples of such arrangements in Europe, the puzzle of the EU becomes not why it was formed, but rather

(a) why it was confined to economics and

(b) why it has failed to develop into a federation.

The answer to (a) is simply that Protected Europe removed the need for Confederal Europe to deal with security and defence issues. The answer to (b) lies in the third Europe, namely the Europe of States. If we consider the Swiss Confederations, the United Provinces of the Netherlands, and the German Bund it is noteworthy that in each case confederation was a transitory stage on the path towards the formation of a state (a unitary state in the case of the Netherlands). Similarly, in North America the confederation of the United States eventually developed into a federal state. In each of these cases 'a single nation or people gradually developed under the aegis of a confederal political structure, and then burst through and beyond this structure when it came to be felt no longer as an instrument of unity, but as a positive brake or constraint upon unity' (Forsyth 1981: 72).

Yet this has patently not been the case in post-1945 Europe. Confederal Europe has not transformed itself into federal Europe. Federal Europe – a fourth Europe if you will – remains confined to the realm of ideas and high-minded constitutional thought. One of its most famous incarnations is in a speech by the former German Foreign Minister Joschka Fischer (2000). Fischer called for a division of sovereign responsibilities between states and a putative federal government at the European level. For Fischer this could only be achieved through a democratisation of European processes, essentially reproducing on a supranational level the sort of democratic structures and institutions that operate at the national level. The Eurozone crisis has revived the idea of the necessity of a federal Europe with Jean Claude Trichet, the president of the

European Central Bank, calling for a leap towards much closer political union through the creation of a European finance ministry.²²

What we have is an ongoing tension between Confederal Europe and a Europe of States. Despite the fact that 'for decades, knowledgeable analysts have been urging and predicting the demise of Europe's nation states' (Calleo 2001: 33) the reality has been that the nation states of Europe have survived and flourished in the second half of the twentieth century. Indeed, to coin the title of one of the most widely-cited and respected studies of early post-1945 Western Europe, the nation state in Europe was rescued by Confederal Europe (Milward 1993). The fault line between Confederal Europe and the Europe of States runs through the current European system. Much like a geological fault line this division does not cause political earthquakes on a daily basis. But it does create a permanent state of tension that has to be negotiated and managed carefully. Minor political tremors occur on a fairly regular basis and, once in a while, the fault line creates a major political earthquake in the European system, for example the Empty Chair Crisis of the 1960s, the crisis over the Constitutional Treaty in the 2000s, and the ongoing crisis over how to manage a fraying Eurozone.

These tensions are the product of a growing gap between the competences assigned to the confederation and its power, both material and ideational. Confederal Europe has not been granted control over the resources necessary for us to speak of a real base of material power. Its power derives from its legal mandate to advance the single market, harmonise regulations, and so forth (Majone 2009: 24-25, 104-5). In the area of external trade its power derives from the fact that it can speak for a bloc of nation-states who, collectively, possess significant material power. But the confederation itself is distinctly lacking. Beyond the lack of material resources at its disposal a Europe of States

²² Trichet made the remarks as he was receiving the Charlemagne Prize for contributions to European unity in Aachen. See Larry Elliott, 'EU should control member states' budgets, says bank boss', *The Guardian*, 2 June 2011. Available at <http://www.guardian.co.uk/business/2011/jun/02/trichet-wants-eu-central-finance-ministry>, accessed 16 June 2012.

possesses a distinct advantage over Confederal Europe in terms of ideational power. The nation-states of Europe have legitimised their power and authority over many years. The power of nationalism, as an idea, remains a potent force in postwar Europe. Thankfully that nationalism has, for the most part, not been the destructive and aggressive nationalism associated with the Europe of the early twentieth century. Nevertheless 'we continue to live in a world of nation-states' and 'nationalism is one of the core planks of the pluralist view of international relations' (Hurrell 2007: 140).

Europe remains a pluralist international system in which distinctive national systems, national politics, and perhaps most intractably, national identities exert themselves. The Europe of States thus possesses far greater power, both materially and ideationally, than Confederal Europe. Such asymmetry becomes more significant, and creates serious tensions, when Confederal Europe is given a role in ever-more salient spheres of policy. Buttressing the material power of the Europe of States is legitimacy and authority, and thus an immaterial source of power, which is not mirrored in Confederal Europe. These features mark one of the fundamental distinctions between a confederation and a federation. The former is a *union of states* whereas the latter is a *union of peoples* (Forsyth 1981: 10-16; see figure 1.6). The distinction is more than mere semantics. In a union of peoples the good of the whole does tend to take precedence over the good of the constituent parts. The social compact extends to the borders of the polity and the material power that can be harnessed by the central government tends to possess legitimacy and authority in the eyes of its people, or its demos. The distinction is of fundamental importance in attempting to understand both the interaction between the EU and its constituent members and the need to balance the distribution of power between the confederal and the national level.

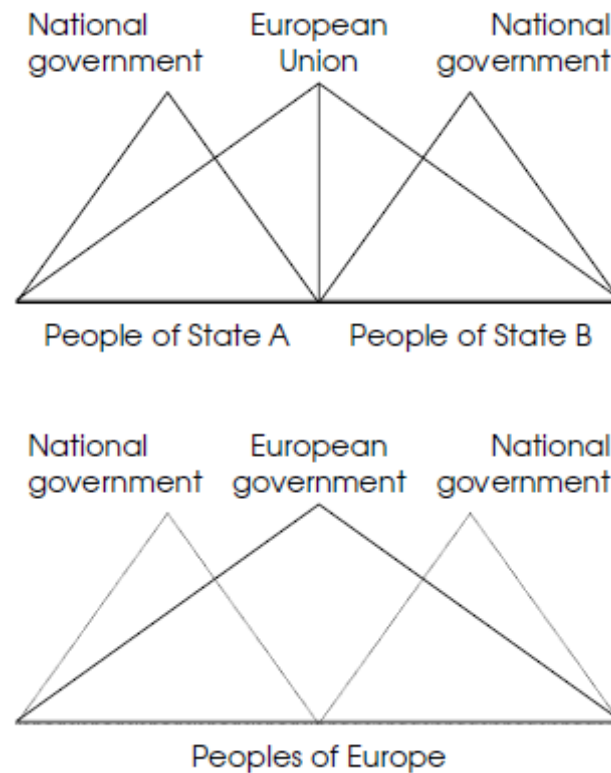


Figure 1.6. Confederations versus federations (adapted from Forsyth 1981: 125-26).

A union of states is a union of a very limited nature. Carr (2001 [1939]: 150) observed that one of the capital shortcomings ‘of the international community is failure to secure general acceptance of the postulate that the good of the whole takes precedence over the good of the part’. This is true of the postwar European system. Confederal Europe emerged out of recognition of economic interdependence and it has, in turn, fostered and nurtured yet further economic interdependence. But, in moments when national interests are threatened, the Europe of States re-emerges in a forceful way. The post-2008 crisis in the Eurozone – with wealthier states highly reluctant to pool European debt or engage in massive fiscal transfers to indebted states as a show of solidarity – was a most potent example of this logic of a Europe of States.

There was a hope, and an effort, in the early postwar years, that the masses would be ‘Europeanised’ and loyalties would be either transferred from the national to the European level or, more modestly, that loyalties would be divided across the two levels. This attempt has been a resounding failure. The

nationalisation of the masses that occurred in Western European states during the nineteenth century (see Mosse 1975) has not been replicated by any Europeanisation of the masses since 1945. There has been no creation of a sovereign European people comparable to the creation of a sovereign American people by James Madison in 1789 (Morgan 1988: 267).

Ideational power thus remains asymmetrically balanced in favour of the nation states of Europe. Nationalism, as an idea, is far more powerful and influential in the European system, than supranationalism. The failure to Europeanise the masses had the effect of transforming Confederal Europe into an elite project in which 'the basic problem' became 'how to make Europe without Europeans' (Schmitter 2005: 258). For several decades, broadly speaking, this problem was largely resolved by elites pursuing integration by stealth. This project was underpinned by quiescent public opinion and created a climate in which a 'permissive consensus' allowed for 'deals cut by insulated elites' (Marks and Hooghe 2008: 5).

This mechanism was effective and ensured equilibrium between Confederal Europe and a Europe of States. Confederal Europe has always been limited both in terms of the material power it has available to it – its budget has always been relatively small and its primary power is regulatory (Majone 1996: 61-79) – and the ideational power at its disposal pales in comparison to the power of the idea of nationalism. For as long as Confederal Europe concerned itself with market making, the removal of barriers to trade within the confederation, and the projection of a common position in global trade forums, it struck a balance between the material and ideational power resources at its disposal and the tasks it was discharging. It is this balance that helped to mitigate the instability caused by the supranationalism/nationalism fault line.

A problem arises, however, when the confederation is tasked with powers that are far less technocratic and far more political. This expansion of powers into more sensitive areas, for example monetary policy, creates extra strain on a pre-existing fault line. It essentially asks Confederal Europe to bear the burden of

policies that it lacks the material and ideational power to carry (Majone 2006: 622-25). The euro is perhaps the most obvious example: nation states have pooled monetary sovereignty in a currency union, but the lack of material and ideational power has meant that, when a crisis hits, the confederation is unable to deal with the fallout either by transferring resources to smooth imbalances or invoking Carr's (1939 [2001]: 150-53) logic of 'the good of the whole outweighing the good of the parts'. As Hooghe and Marks (2008: 5) observe, 'the period since 1991 might be described ... as one of constraining dissensus'. The permissive consensus of earlier decades has been replaced as Confederal Europe becomes increasingly unable to both manage the diversity of an ever-expanding body and to manage the new policy spheres that it has been tasked with.

As Carr (1939 [2001]: 100) observed 'failure to recognize that power is an essential element of politics has hitherto vitiated all attempts to establish international forms of government ... To internationalize government in any real sense means to internationalize power'. The key is to ensure that the amount and type of power that is internationalised is sufficient to support the governance functions that are internationalised. The European system has increasingly failed to do this and has ended up in a situation of crisis as a result. It has failed to internationalise the material and ideational power necessary to underpin the competences it has invested in the confederation.

Balance, Hegemony, and Confederation

The 'Three Europes' thus represent the coexistence and interaction of three forms of interstate organisation – balance of power, hegemony, and confederation. These can be contrasted with their counterparts, namely the forms of organisation characteristic of the intrastate world – unitary state, empire, and federation (Forsyth 1981: 207-09; see figure 1.7). It is helpful to think of these three interstate organising principles as characterising

relationships between specific types of power. The balance of power is typically a policy for and between great powers. As Spykman (1942: 20) put it, 'it is obvious that a balance of power policy is in the first place a policy for the great powers. The small states, unless they can successfully combine together, can only be weights in a balance used by others'. The balance of power suggests a relationship between equals, or near equals, and might 'therefore be called the pivotal form of interstate guarantee' (Forsyth 1981: 207).

Hegemony, by contrast, is not a relationship of equals but nor is it imperial. Rather than being based on 'rulers' and 'ruled' it is based on 'leadership' and 'followers' (Forsyth 1981: 208). Hegemony prevails when 'one state is powerful enough to maintain the essential rules governing interstate relations, and willing to do so' (Keohane and Nye 1977: 44). Hegemony has normative connotations, implying as it does a willingness on the part of the hegemon to supply order to the system, whether global or regional, through the provision of what would, in domestic politics, be termed public goods. The liberal economist Charles Kindleberger (1973) claimed that the provision of such public goods, and the assumption of the role of hegemon, was largely done for benign reasons. Gilpin (1981: 29-30) offers the more compelling argument that powerful states pursue hegemony and provide such public goods out of their own interest in stability.²³ The structures – military, economic, and/or ideational – that they establish are reflections of their own preferences and interests, not some rationally-derived 'harmony of interest' (see Carr 2001 [1939]: 42-59, 71-78).

²³ Gilpin was joined in this endeavour to claim hegemonic stability theory for realism by another relatively nuanced and non-structural realist, Stephen Krasner (1976, 1982, and 1989).

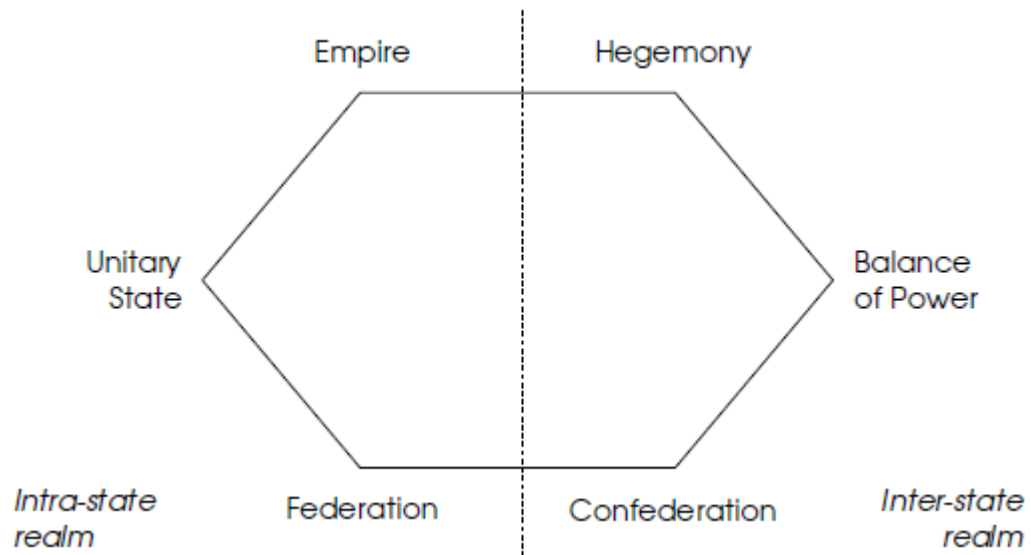


Figure 1.7. The boundary between the interstate and intrastate world (Forsyth 1981: 208).

While balance of power and hegemony are two very well-known organising principles within the international relations literature, confederations remain less well known. Yet, as we have seen, this option remains a rational and logical decision for smaller states to take. Certainly confederation requires ‘a major, joint sacrifice by its members, a will to transform the external relations of several states into something akin to the internal relations of one state’, and perhaps for this reason (amongst others²⁴), it is ‘a much rarer phenomenon than that of hegemony and balance of power, but it is nonetheless an essential reference in the map that describes the logic of interstate relations’ (Forsyth 1981: 207; see table 1.1).

²⁴ Other reasons for the rarity of confederations include: the fact that they require a certain degree of homogeneity between prospective members in order to be created and sustained (this might be economic homogeneity, similar economic philosophies, and relatively synchronised business cycles for economic confederations, or similar strategic outlooks and threat perceptions for military/defence confederations); they often form in times of crisis when the independence of the states in question are threatened in some way.

Mode of interaction	Types of state	Cold War	Post-Cold War
Balance of power	Great – Great	US – Soviet Union	US – ?
Hegemony	Great – Non-great	US – Western Europe (1)	US – Europe (2)
Confederal	Non-great powers collectively	Intra-Western Europe	Pan-Europe (3)

Table 1.1. Three modes of interaction in international relations. **Note.** (1) Hegemony maintained militarily throughout, economic hegemony begins to wane from mid-1960s; (2) Hegemony maintained militarily; (3) Via EU enlargement.

Considering these three organising features we can summarise:

- The postwar European system was a derivative of a balance of power operating between the superpowers, each of which exerted hegemony in their respective European spheres, and
- In Western Europe a confederation formed, led by states that had been transformed, through the crystallising event of World War II, from great powers to middle powers.

As a final note it is imperative to recall that, within confederations, power dynamics develop and the most powerful states, in the fulfilment of realist logic, will seek to control the workings of the confederation and shape them in their own interests.²⁵

²⁵ Indeed realist logic would suggest that the creation of the confederation in the first place would not have been possible unless it was satisfying the national interests of the most powerful prospective members.

CHAPTER 2

THEORISING EUROPEAN INTEGRATION

Having set out the ‘Three Europes’ argument in the last chapter this chapter sets out the philosophical ontology and methodology that underpins the thesis and also offers a critical literature review of existing literature on European integration. The structure of the chapter reflects this dual purpose. It is divided into two parts, each with several sub-sections. The chapter advances two principal arguments. First it makes the case for a broad definition of ‘science’ to be adopted by those working in the field of IR (see Jackson 2011: 16-23). For too long some variant of neo-positivism has had a strangle-hold on mainstream offerings at the expense of alternative methodologies possessing different philosophical ontological commitments. But the classical, analytical approach to the study of IR is, the chapter argues, equally capable of producing valid knowledge and useful accounts of developments in world politics.

Second it argues that classical realism, with its emphasis on state interests and power, offers a more compelling way to understand the development of the postwar European system than leading theories such as neofunctionalism, liberal intergovernmentalism, constructivism, and neorealism.¹ Such theories – again with the exception of constructivism in general, although the statement is true for the mainstream variant of constructivism within IR – are broadly committed to a neo-positivist methodology in which hypotheses are derived

¹ Constructivism, it should be noted, is not a theory in the way that neofunctionalism, liberal intergovernmentalism, and neorealism are clearly defined theoretical approaches to the study of world politics. Rather constructivism, technically speaking, is a scientific ontology that comprises a set of assumptions about the world, human motivation, and agency. If it has a counterpart, as such, it is rationalism broadly defined.

and tested against each other. The problem with this approach is that it fragments what ought to be a more unified narrative into discrete parts. The discrete parts are then tested against each other with a view to finding the explanatory variable/s that accounts for the phenomena in question, in this case European integration. Thus we end up with a situation in which, simplifying slightly, neorealism finds the cause of European integration in the structure of the international system, liberal intergovernmentalism finds the cause in the narrow commercial preferences of state elites, and constructivism finds the cause in the reconstitution of the identities of European nation states after 1945. In fact all of these factors matter and attempting to elevate one over the other in a quest for confirm a hypothesis is a very stilted and artificial way of engaging in the study of world politics. Classical realism, with its broad commitment to interests and power – both of which have material and ideational components – can help unify the strands into a useful analytical narrative.

1. The Classical analytical tradition

Making the case for the classical analytical tradition is necessary because of the dominance enjoyed within mainstream IR by neo-positivism. It is also incumbent upon any thesis that grounds itself in realism. As an approach to IR, realism is conventionally understood as a neo-positivist enterprise in which a set of axioms about the states-system are tested systematically (see Legro and Moravcsik 1999). In short there is a double burden of proof resting on those who seek to use realism as a theory and the classical analytical approach as a methodology. First it must be demonstrated not only that realism is not wedded to neo-positivism but that realism is perfectly compatible with the classical analytical approach. Second the classical analytical methodology itself must be elaborated and justified as legitimate social scientific practice. In this section both will be accomplished in the following way. The first sub-section presents the realist paradigm that has taken hold within IR and shows how it works with

a neo-positivist methodology.² The second sub-section considers how pre-paradigmatic versions of realism, associated with scholars such as Carr and Morgenthau, worked with a very different notion of what constituted a scientific approach. It sets out the analytical approach and draws on the work of diplomatic historian Marc Trachtenberg to argue that historically broad studies of IR can be written pragmatically without archival research.

Neo-positivism and mainstream IR

The most coherent and widely-cited statement of the realist paradigm is Legro and Moravcsik's article 'Is Anybody Still a Realist?' in which they set out three central assumptions that scholars must stick to in order to be properly termed realist. The first assumption is that actors in IR are rational, unitary political units existing in an anarchic system. The second assumption is that state preferences are fixed and that states' goals are uniformly conflicting. The third assumption is that the anarchical structure of the international system ensures the primacy of material capabilities (Legro and Moravcsik 1999: 12-18). The realist paradigm outlined by Legro and Moravcsik has been widely reproduced both in textbooks (Baylis et al. 2008: 100-3) and more advanced texts (Keohane 1986: 164-5; Krasner 1996: 114-15; Walt 1997: 932; Vasquez 1998: 37; Walt 1998; Mearsheimer 2001: 17-18; Snyder 2004). The emphasis on anarchy, fixed preferences, and material capabilities would seem to rule out the realist argument advanced in this thesis, with its emphasis on a protected and confederated Europe, preferences that are shaped in and by historical contexts, and developments that are shaped as much by ideational as material factors. In

² The term neorealist paradigm might be more appropriate given that a classical realism that resists and challenges the paradigm has re-emerged within IR starting in the late 1990s (Murray 1997; Lebow 2003; Williams 2005; Molloy 2006; Bell 2008). However, such is the dominance of mainstream approaches that all forms of realism are often absorbed by the paradigm. Indeed in their article, Legro and Moravcsik (1999) remove the 'neo' prefix in what Molloy (2003a: 77) calls 'an Orwellian stroke'. For the sake of clarity the term realist paradigm is employed throughout the chapter.

short, either the paradigmatic depiction of realism must be false, or at least misleading, or this thesis cannot properly claim to be employing realism.

The emergence and crystallisation of a realist paradigm occurred in the mid-to-late 1980s and was the result of a rather complex interaction between both broad developments within IR and more specific developments within realism. The broad development within IR was the rise of neo-positivism. The specific development within realism itself was the publication of Kenneth Waltz' *Theory of International Politics* in 1979. Waltz' offering was not neo-positivist in any recognisable way. Despite this, a generation of neorealist scholars who followed Waltz, swept up in the broader IR commitment to neo-positivism, contorted his work into a form that was susceptible to neo-positivist hypothesis testing.

Beginning with the behavioural revolution of the 1950s IR, and political science broadly, began to look at positivism and a Popperian concern with falsification (Lebow 2011: 1219). This was done largely as part of an appeal to a relatively narrow, but rhetorically powerful, form of science. If an approach could be claimed as 'scientific', in contrast to historical approaches that employed concepts – such as the balance of power and the national interest – that were near impossible to measure or quantify, then it would be rhetorically elevated.³ The history of IR as a discipline is often told as a series of 'Great Debates' in which the second debate concerned itself with this very issue. The debate pitted those committed to a classical approach, grounded in history and sociology and emphasising complexity and the need for judgement by scholars, against those committed to forging a genuine 'science' of IR.⁴

³ Such a strategy ignoring the point that social science has, historically, operated with a very broad notion of what is scientific.

⁴ Depending on the person doing the counting there are either four or five of these 'Great Debates'. The first Great Debate was that between the idealists/utopians writing between World War I and World War II and the realists who emerged to critique them. The primary target of the realists was the doctrine of liberal internationalism espoused by the utopians (Hollis and Smith 1990: 16-28). There have been several persuasive efforts to refute the notion of an actual first 'Great Debate' (Wilson 1998; Ashworth 2002). The second 'Great Debate', it is widely agreed, did in fact take place and was at its core a debate about the unity of science thesis, i.e. the extent to which the natural and the social sciences could be studied similarly.

The core arguments of this debate are captured in a back-and-forth between Hedley Bull, on the classical side, and Morton Kaplan, who favoured behaviouralism (Bull 1966; Kaplan 1966).⁵ Kaplan fired an early shot in the debate by criticising classical realists and international society theorists of the English School for their reliance on subjective factors, for their engagement with normative issues, and for their reliance on assumptions that could not be scientifically (as Kaplan understood the term) tested (Kaplan 1957). For Kaplan 'the path to knowledge was via the collection of observable data; regularities within the data were to lead to the framing and testing of hypotheses, from which theories would be constructed' (Hollis and Smith 1990: 28).

Bull, leading the charge for the classical approach, argued that the models and rigour associated with the scientific endeavour were an exercise in illusion and, furthermore, argued that 'by cutting themselves off from history and philosophy [the practitioners of the scientific approach], have deprived themselves of the means of self-criticism and in consequence have a view of their subject and its possibilities that is callow and brash' (Bull 1966: 376). Bull was echoing earlier observations by classical realists such as Stanley Hoffmann and Hans Morgenthau. Hoffmann (1959: 356-7) saw Kaplan's move towards science as 'a huge misstep in the wrong direction' because 'only those problems that are relevant to the systems are being considered, whatever their relevance to the field'. Morgenthau penned numerous eloquent attacks on scientific approaches to IR in which he accused them of hiding the realities of international society behind a quasi-scientific methodology and language (see Morgenthau 1944a, 1944b, 1946, 1967, 1972).

⁵ The debate was not so much about competing visions about the nature of international politics but was largely methodological. As Hollis and Smith observed, 'this was not a debate between theories, but one within a single theoretical orientation and about how to conduct enquiry within that approach. The two main protagonists, Hedley Bull and Morton Kaplan, shared a more similar view of the international political system than their location on the two opposing sides of the debate would suggest ... [behaviouralists] were really arguing only about method within a basic theoretical approach shared with realism' (1990: 31-2; also see Vasquez 1983: 18).

The classical approach was unable to fend off the challenge of the behaviouralist revolution. Nor was there coexistence between the two on an equal footing. The scientific approach came to dominate within the US academy from where the tone was set for the development of IR. Hoffmann attributed the triumph of the Kaplan-side of the debate to the interdependence of academia and policymaking in the US. Such interdependence led, Hoffmann (1977a) believed, to a demand for theories that were scientifically presented, rationalistic in nature, and emulative of mainstream economics.

Initially, it is important to note, this was not a triumph of neo-positivism. Rather the work of Kaplan and those who immediately followed – such as David Singer, Karl Deutsch, and Hayward Alker – was indebted to the logical positivism of the Vienna School (see Diesing 1991: 3-28, 55-74). Such logical positivism, in its original form, stressed the need to verify any statement before it could be accepted as factual knowledge. Karl Popper inverted the logic of verifiability and argued that any claim that was formulated in a way that it might be dis-proven, or falsified to use his word, was ‘susceptible to scientific evaluation’ (Jackson 2011: 51). The Popperian move was to a scenario in which ‘all theories are hypotheses ... [that] may be overthrown’ (Popper 1979: 29). Thus hypothesis-testing quite quickly became the standard approach to the study of IR, especially in the US.

Jackson (2011: 53-9) has shown how the work of Thomas Kuhn and Imre Lakatos – both philosophers of science and critics of Popper – was de-contextualised and imported into the study of IR as the standard toolkit. Theories had to be specified in a way that allowed for them to be operationalised, for their indicators to be developed, and for them to be tested against a body of empirical evidence. Theories could then be provisionally confirmed or falsified/dis-proven. IR theorists were quick to oblige and carefully parsed theoretical paradigms emerged. Perhaps the most symbolic period for this type of thinking in IR was the ‘neo-neo’ debate that dominated the mid-1980s.

The debate pitted neorealism and neoliberalism against each other in an incredibly narrow debate, a debate in which both sides accepted the premises of a state-centric world, states as rational unitary actors, and anarchy as the defining systemic characteristic. The disagreement was about the extent to which international institutions could mitigate the effects of anarchy and whether states were more concerned with relative or absolute gains (see Grieco 1988, 1990).⁶ Various other sub-strands of realism, liberalism, and Marxism were specified and scholars proceeded to square 'off against one another in a variety of empirical contests that no one ever won because the advocates of the losing position claimed both Popperian and Kuhnian sanction for sticking to their position in order to develop it further' (Jackson 2011: 57).

Popperian notions of falsification and Lakatosian notions of research programmes that either progressed or degenerated, the latter involving the addition of auxiliary hypotheses to account for developments that do not 'fit' the theory, entered the IR lexicon (see King et al. 1995; Vasquez 1997, 1999; Elman and Elman 2003).⁷ The entire agenda was premised on an incorrect reading of Popper, Kuhn, and Lakatos. The notion that scientific progress was possible if IR scholars spent more time refining their methodology, and making their propositions more susceptible to empirical testing, would have been highly questionable to those same philosophers of science who were invoked to support the endeavour (Molloy 2006: 22-5).

Despite the misappropriation of philosophy of science the belief that a certain methodological approach could be varnished with the label 'scientific' was a powerful tool at the disposal of the neo-positivists. The label was used 'primarily as a disciplining function. When "science" makes an appearance, it is a

⁶ Keohane has conceded that neoliberalism shares three of neorealism's four core assumptions, differing only on the issue of the prospect of cooperation among nation states under anarchy (see Keohane and Martin 2003: 73-81).

⁷ The standard methodological text puts it clearly: 'non-statistical research will produce more reliable results if researchers pay attention to the rules of scientific inference – rules that are sometimes more clearly stated in the style of quantitative research' (King et al. 1994: 6). The message is simple: IR theorists should set forth clearly defined propositions with clearly measurable indicators that can be measured in some way.

pretty good bet that the text in which the term is invoked is more or less trying to reshape how inquiry is conducted' (Jackson 2011: 9-10). Steve Smith (1996: 13) wrote that 'defining common sense is ... the ultimate act of political power'. Mainstream IR possesses this power and common sense has become equated with neo-positivist methodology. But there are multiple methodological approaches, all of them equally valid as routes to pursue knowledge about world politics, and it is for this reason that a broader definition of science must be recognised within IR.

Realism was not resistant to this shift towards neo-positivism. A version of realism that could be subjected to hypothesis testing on the back of a handful of axioms was duly developed. But, strangely, it developed on the back of a work (Waltz 1979) that was far from neo-positivist. *Theory of International Politics* sets out a parsimonious model that sought to explain how the international system functioned. Waltz (1979: 121-23) was very clear that his theory could not be used to explain specific foreign policy decisions but was rather a systemic theory of international politics. For Waltz (1979: 18-37), theories of IR that preceded his were guilty, oftentimes, of conflating causes at multiple levels of analysis (individual level, state level, system level). Waltz' focus was the structural level and he admonished those who sought to theorise international politics in terms of the interactions of the units that comprised that system (1979: 38-78).

From this theoretical base Waltz offers his widely recited tripartite answer to the question of what constitutes a systemic explanation. Of importance are the ordering principle of the system, the characteristics of the units that comprise that system, and the distribution of capabilities across those units. He identifies anarchy, as opposed to hierarchy, as the ordering principle that characterises the international system. The units that constitute the system are 'functionally undifferentiated' by which he meant that all states were charged with the same fundamental duties of survival and security. Neither of these parts of Waltz' model are capable of changing without international politics being transcended. A move from hierarchy to anarchy would suggest the domestication of

international politics. Similarly if units in the system become functionally differentiated then an institutional division of labour similar to what we find domestically would emerge. We would thus be unable to study IR without recourse to the attributes and functions of specific units. And that would take us back to the reductionism that Waltz was so critical of. The only part of Waltz' model that does move is the distribution of capabilities across the units or, in other words, the polarity of the system. Such a concern is not reductionist because, Waltz (1979: 98) informs his readers, 'although capabilities are attributes of units, the distribution of capabilities across units is ... a system-wide concept'.

Waltz was aware that the parsimony of this model made it somewhat useless for dealing with specific foreign policy developments. Sociological in its nature (Gilpin 1981: xii) Waltz' theory explains a few very important things, such as the tendency of the international system to move towards balance over time, but is not appropriate for understanding discrete developments. Despite this a generation of neorealists following Waltz have applied a neo-positivist gloss to his work and added a variety of propositions to his framework 'in order to produce theories of foreign policy' (Jackson 2011: 112).⁸ Efforts to produce neorealist theories of foreign policy are not, in and of themselves, objectionable. However, that they take their year zero as 1979 and treat Waltz' *Theory of International Politics* as some form of quasi-biblical text reveals a fundamental misunderstanding of Waltz' aim and methodology.

Waltz' own words should be sufficient to clarify the issue, he wrote (1979: 9) that theories 'construct a reality, but no one can ever say that it is the reality'. In essence Waltz saw IR theory as something that provides a distilled and much simplified version of events, as a mechanism to make intelligible the overwhelming complexity of world politics. Waltz was thus far from sharing the

⁸ As Jackson (2011: 112) states: 'scholars have added individual-level perceptual factors (Walt 1987), domestic-political factors (Snyder 1991; Schweller 1994; Sterling-Folker 2002), specific characterizations of the incentives facing individual states (Christensen and Snyder 1990; Brooks and Wohlforth 2001), and a whole variety of other things in order to produce theories of foreign policy: theories that would predict what states would do under specific circumstances'.

philosophical and methodological commitments of neo-positivists. Despite that fact he set out a basic framework from which a neo-positivist realist paradigm would nevertheless grow.

A clearer attempt to preserve the core of Waltz and yet break with him in a fundamental sense emerged in the mid-to-late 1990s in the form of neoclassical realism. Rose (1998) first coined the term in a review article that captured the core of the approach. Waltz' concern with the importance of structure is preserved by neoclassical realists, and nuance and complexity are added by introducing a variety of domestic level factors. In the language of neo-positivism, neoclassical realism posits the structure of the international system as the independent variable that explains foreign policy decisions by states (the dependent variable). Domestic-level factors are then introduced as intervening variables. Neoclassical realists thus tend towards process-tracing through case studies and key works in the tradition have considered the rise of the U.S. as a global power (Zakaria 1998), the perception of the balance of power in Moscow and Washington (Wohlforth 1993), the outbreak of World War II (Schweller 1998), and US-China relations in the early years of the Cold War (Christensen 1998).

At the domestic politics/intervening variable level, neoclassical realism has no fixed commitment about what might be introduced as an explanatory deviance. Wohlforth focused on the perception or misperception of state leaders. Zakaria and Christensen focused on the strength of the state apparatus and its relationship to the broader society it served. Indeed, as neoclassical realism has matured over the years a range of potential intervening variables have been explored (see Lobell et al. 2009). It is debatable whether the neoclassical realist project is really remaining faithful of Waltz 1979 model, or whether it is simply a fusion of that framework with more historically-focused case studies. It is certainly, however, closer to classical realism in both its design and execution than those contemporary variants of realism that seek to build on Waltz merely by adding in a rational actor assumption.

There are two simple reasons why neoclassical realism has not been adopted herein. First, neoclassical realism is committed to a neo-positivist approach. The onto-epistemological foundations of neoclassical realism are thus different from those of the form of classical realism employed herein. These differences are set out below. Second, neoclassical realism remains at root an approach to studying foreign policy. To date its most notable contributions have either been studies of a small set of states over the medium term, or studies of a single state over the medium-to-long term. This thesis is not a study of foreign policy, but is rather a study of the formation and development of a distinct international system over a period of six decades. There are multiple states involved in the narrative and a theory such as neoclassical realism, with its concern for foreign policy decision-making, is not an appropriate one. Thus for both practical and philosophical reasons neoclassical realism has not been employed. The philosophical reason will now be elaborated upon.

Neo-Positivism is not the only way

Not only did the realist paradigm that developed in the mid-1980s and early 1990s work in a very different philosophical-ontological and methodological way than Waltz' 1979 offering, it held a very different set of scientific ontological commitments from the realism/s that came before. Jackson (2011: 24-40) argues compellingly that the conduct of inquiry in IR can be conceptualised as involving two core philosophical-ontological wagers. The first wager concerns the relationship between the knower and the known, or the researcher and the world they seek to engage with. The second wager concerns the relationship between knowledge and observation. Each wager has two outcomes thus creating a two-by-two table and four broad methodological approaches.

The first wager, concerning the relationship between the knower and the known, presents a choice between dualism and monism. Dualists maintain that

there exists 'a separation between researcher and world such that research has to be directed toward properly crossing that gap'. Thus 'valid knowledge must ... be related to some sort of accurate correspondence between empirical and theoretical propositions on the one hand and the actual character of a mind-independent world on the other' (Jackson 2011: 35). Put more simply, for dualists the world is out there and the researcher must discover, categorise, and analyse it. Monists reject this in favour of a perspective that sees the researcher as part of the world. The production of knowledge 'is inescapably a social process. It follows that there are no truth warrants, as the "knowledge" we generate reflects our categories and methods, and these in turn reflect our social situation and normative commitments' (Lebow 2011: 1224). The second wager, concerning the relationship between knowledge and observation, presents a choice between phenomenalism and transfactualism (Jackson 2011: 36-7). Phenomenalists confine inquiry to things that can be observed whereas transfactualists see the possibility of uncovering things that are unobservable in principle and using such things to explain what we can or do observe. Putting the two wagers together in a matrix produces four positions (see figure 2.1): neo-positivism, critical (or scientific) realism, analyticism, and reflexivity.

	Phenomenalism	Transfactualism
Dualism	Neo-positivism (Mearsheimer, Moravcsik, Wendt)	Scientific Realism (Wight, Patomaki, Kurki)
Monism	Analyticism (Morgenthau, Hoffmann, Hurrell, Gilpin)	Reflexivity (Carr, Cox, Strange, Linklater, Elshtain)

Figure 2.1. Philosophical-ontological wagers and their methodologies (drawn from Jackson 2011).

Despite all four methodologies being well represented in IR it is neo-positivism that defines the mainstream approaches such as neorealism, liberal intergovernmentalism, and the constructivism associated with scholars such as Wendt, Checkel, and Finnemore. Critical realism shares the commitment of neo-positivism to mind-world dualism but joins this with an ‘equal emphasis on going beyond observables to causal powers and processes, which it understands as responsible for their interactions’ (Lebow 2011: 1225; see Joseph and Smith 2010).

Classical realism does not belong to a single one of the four boxes. While Morgenthau can be placed in the box labelled ‘analyticism’, Carr can be placed in the box labelled ‘reflexivity’.⁹ What can be said about classical realists, and

⁹ Molloy (2003b) has demonstrated that Carr’s approach to the study of world politics was dialectical. What Carr offered in *The Twenty Years Crisis*, and in his subsequent works, was an ongoing and irresolvable tension between utopia and reality. As Carr (2001: 87) himself put it: ‘having demolished the current utopia with the weapons of realism we still need to build a new

indeed even about Waltz (see Waltz 1997), is that when faced with the wager concerning the relationship between the knower and the known, they fall on the monist side of the dualist/monist division. This thesis makes its ontological-philosophical wagers by opting for monism and phenomenism and thus sits within the analyticism box of figure 2.1. It can only be appraised on its own terms and thus the lack of hypotheses to be tested, or the lack of transcendental argument, simply means that this thesis is not informed by either a neo-positivist or a critical realist methodology.

An analytical methodology works very differently from a neo-positivist methodology. Where neo-positivism sees the status of a knowledge claim as a unfalsified conjecture to be evaluated through the testing of a hypothesis, analyticism regards 'knowledge as a useful account' that 'proves its ... value by being utilized to construct an analytical narrative' (Jackson 2011: 198). An acceptance of Nietzschean principles makes analyticism aware of 'the extent to which our access to the world is mediated by conventional practices and values' and its appreciation of Weberian techniques leads to an embrace of 'ideal-types as a vehicle for characterizing and comparing' (Lebow 2011: 1225). Ideal-typification characterised classical realists such as Morgenthau as well as English School scholars such as Wight, Bull, and more recently Hurrell (2007) and Clark (2005, 2007, 2011).¹⁰ Morgenthau (1978: 42-91) characterised states as status quo, revisionist, or prestige seeking. The English School laid its foundations in three ideal-types of international system: realist/Machiavellian, rationalist/Grotian, and revolutionist/Kantian (see Wight 1991; Bull 1977). More recently Lebow (2008) has offered his *Cultural Theory of International Relations*, grounded in Greek thought and constructing four ideal-types of political world: reason-informed, spirit-based, appetite-based, and fear-based.

utopia of our own which will one day fall to the same weapons. The human will continue to seek an escape from the logical consequences of realism in the vision of an international order which, as soon as it crystallizes itself to concrete political form, becomes tainted with self-interest and hypocrisy, and must once more be attacked with the instruments of realism'.

¹⁰ It must be noted that the English School does not identify exclusively with a single methodology. Scholars such as Linklater work within the English School but are very much reflexive in their approach. Other scholars, such as Buzan, have attempted to steer the English School towards something that more closely resembles neo-positivism.

The 'Three Europes' sketched in the first chapter, around which the argument of this thesis develops, are just such ideal types. Protected Europe, Confederal Europe, and the Europe of States are all ideal types that accentuate certain aspects of the postwar European system for the purpose of analysis. Similarly the characterisation of France as a prestige-seeking power and West Germany as a tamed power are ideal-types. These ideal types serve a simple purpose. They help to organise the complexity of postwar Europe in a way so as to make the move towards integration more intelligible. The knowledge generated by the use of these ideal types is designed to be no more, and no less, than 'a useful account' of European integration. The account is more useful, the thesis contends, than those of neofunctionalism, liberal intergovernmentalism, and neorealism.

Analyticism does not offer the type of causation through empirical generalization offered by those approaches, instead carefully weighing the importance of different factors at key historical turning points and making a prudential judgement concerning what mattered most (Jackson 2011: 198-9). Furthermore, analyticism is not committed to nomothetic comparison as neo-positivism is and has 'no problem with single-case studies, since they claim no general empirical validity for their results' (Jackson 2011: 200-1). The specifics of an individual case are what matters to this methodological approach. Thus the thesis makes no claims to be able to generalise the analytical narrative of European integration to other regions of the world. As Judt (1996: 24) put it: 'whatever made possible the Western Europe we now have was almost certainly unique – and unrepeatable'. In short, the overarching purpose is to construct an analytical narrative that identifies the major factors shaping European integration and detect how they have altered over time, and the impact of those changes on the postwar European system. The thesis does this without a concern for the sort of hypothesis testing, empirical generalization, and nomothetic comparisons that define mainstream neo-positivist IR.

Choosing and contextualising sources

Any work that seeks to span over six decades of history must find short cuts. It is simply not possible, for time reasons and the limitations of language competences, to conduct primary archival research on such a broad topic. Ultimately, this thesis covers a period of international history stretching over half a decade. The actors involved are numerous, as are the languages, and it is simply not possible to conduct archival research commensurate with the scale of the task. This thesis is not the result of archival research. The facts of the history of European integration are fairly well established. The material that this thesis works with is the historical record itself. Such an approach requires an extensive familiarity with the secondary historical and political literature on Europe, European integration, and international politics since 1945.

It is important, in a study such as this, to discuss how sources are chosen, contextualised, and also the inherent limitations of any research that relies largely on secondary works of history, economics, and political science. The noted diplomatic historian turned IR scholar Marc Trachtenberg (2006: 51) notes that ‘there’s a method for tackling historical problems, a method for reaching relatively solid conclusions more quickly and more efficiently than you might have thought possible’. Trachtenberg is referring to the textual analysis of secondary material as opposed to archival research and the examination of what are typically referred to as primary sources. Secondary texts help to generate informed understandings of historical facts and events, and they form the basis of the historical chapters that follow.

Trachtenberg’s guide is largely common sense but, echoing Morgenthau, he points out that much of what makes good historical and political scholarship is common sense. The starting point is recognition that you are not conducting research in a vacuum. It is vital to get ‘a sense for what the most important works are, for who says what, and for how scholarly debate in that field is structured’ (Trachtenberg 2006: 52). Familiarity with the literature is necessary to conduct research that is reflexive and original. The first step is to collate a list

of key works and get a sense of the arguments advanced. This is most typically accomplished through searches of journals utilising computerised search engines such as J-Stor and Project MUSE (Trachtenberg 2006: 52-8). In this instance authoritative historiographies were also consulted (Dinan 2005, 2006) to ensure that key works of history were not overlooked during these first stages of the process. Following such searches and historiographies new sources emerged from the reading in a cascading manner. In addition to studying historiographies this stage of the research involved consulting as many reviews, review articles, and response pieces as possible. Consulting these sources helped to contextualise the readings and the organisation of the field.

Such an approach did present a problem that could not be overcome but were mitigated. The problem, in short, is the existence of leading works on European integration written in languages other than English and not, to date, translated. Language restrictions rendered these sources inaccessible. The issue was mitigated, to an extent (but certainly not overcome), by consulting as many reviews and review articles as possible. The aim of this part of the research process was not to incorporate foreign sources into the thesis, but rather to ensure that those leading sources in languages other than English were not presenting interpretations of key developments in the history of integration that jarred significantly with those English language sources that were consulted thoroughly.

The compiling of a robust schematic of the field to be studied is merely a first step however. The process of reading must be, as Trachtenberg points out, an active one that employs textual analysis. In other words, leading works should not be read passively. If they are what the researcher ends up with is little more than a highly organised literature review. A layered approach is thus adopted. First, a researcher has to get a sense of the basic argument developed in key works. Second, it is necessary to drill down from the basic argument to the specific claims on which that argument rests. Third, those claims must be critically interrogated in terms of the empirical evidence on which they rest (Trachtenberg 2006: 59). Such evidence is generally cited in footnotes and,

particularly in historical works, can serve as a good bellwether as to the veracity of the claims being made. Two questions must always be at the forefront of the researchers' mind when reading sources: first, is the argument logical and, second, is the evidence adequate? The method is thus straightforward. As Trachtenberg (2006: 59-60) puts it: 'You identify the heart of the argument, you try to understand its structure, and you then try and see what is to be made of the argument in terms of both its internal logic and of the adequacy of the evidence supporting key specific claims' (Trachtenberg 2006: 59-60).

As an illustrative example, and one that is discussed in more depth later, consider the claims made by Andrew Moravcsik (2000a) regarding de Gaulle's decision to veto the UK's application to the EEC. Moravcsik's claim, widely cited and known, emphasises the commercial concerns of French farmers and the potential impact of UK accession on the price of French agricultural produce. Moravcsik's claims rest on a narrow selection of sources and, when contextualised with leading histories of de Gaulle's presidency written by noted historians, they jar. The researcher is thus faced with numerous decisions such as this one in an attempt to develop a historical interpretation of integration that reflects the most authoritative works.

The process of getting to grips with the facts, events, and existing interpretations is the first step. Those facts then have to be translated into evidence. Theoretical interpretation is the connecting device. As Evans (1997: 77) has observed, 'facts thus precede interpretation conceptually, while interpretation precedes evidence'. The facts and events are used in support of an argument and it is here that theory and interpretation have their own role. A position such as this marks a middle ground in the historical debate between Geoffrey Elton and E.H. Carr. For Elton (1991: 67) the facts of history were waiting for historians to come along and reconstruct the past in an objective way. They were not to be filtered through contemporary theoretical frameworks but were to be appraised objectively on their own terms. For Carr events of the past become historical facts only when the historian calls upon

them to speak. The process of interpreting past events through theory creates historical facts (Carr 1961: 7-30). Both are incorrect according to Evans. Elton is positing an objectivity that simply does not exist and Carr is semantically confused. Evans (1997: 78) argues persuasively that 'fact and evidence are therefore conceptually distinct and should not be confused with each other, as Carr confused them'.

To reiterate, the facts and events of international politics are the raw material of the thesis. The materials are accessed through a thorough engagement with secondary texts.¹¹ Using classical realism those events and facts are translated into evidence. But that is not the same as fabricating or distorting the historical record, practices that go beyond legitimate social research and interpretation and into the realm of ideology and personal agenda. Interpretations of the historical record, and the empirical evidence uncovered by others to support their interpretations of that record, are refracted through the mind of the researcher. In this way, it must be stressed, the thesis is not a test of sources, but rather a test of theory. The theory has to be tested against the historical record and the question of how the historical record, which is always to some extent a matter of competing interpretation, can be grounded is thus important.

By the strictest definition of the term, therefore, this thesis does not achieve objectivity. The historian Peter Novick (1988: 6) makes the point that objectivity in the historical and social sciences is 'essentially confused'. For Novick it should not mean a view from nowhere, the absence of argument, and a lack of perspective. Novick (1988: 1-2) defines objectivity in history as a belief 'in the reality of the past, and to the truth as correspondence to that reality'. In making this claim Novick was restating a proposition made, in essence, years earlier by G.M. Trevelyan that history was the product of both historical imagination and the limits imposed by the past on the imagination. The thesis is thus objective in the broad sense of aiming for detachment and possessing 'that

¹¹ In addition to secondary histories and political studies the thesis makes use of the published *Foreign Relations of the United States* series.

vital minimum of ascetic self-discipline that enables a person to do such things as abandon wishful thinking, assimilate bad news, and discard pleasing interpretations that cannot pass elementary tests of evidence and logic' (Haskell 1990: 132). But the thesis does not achieve objectivity in the strict sense of the word because it remains, at root, an interpretive work. As Carr (1961: 22-3) remarked, when reading works of history and politics the reader should 'always listen out for the buzzing. If you can detect none, either you are tone deaf or your historian is a dull dog'.

2. Theorising European integration to date

The buzzing that Carr refers to is detectable in all presently leading theoretical accounts of European integration. Each of them have emerged from distinctive theoretical and historical contexts and Carr's advice to always study the historian before you study the history can equally be applied to IR theorists. Theory, as Cox (1981: 182) reminds us, is 'always for someone and for some purpose'. The theoretical literature on European integration is, by any reckoning, vast and it would take an entire book to do justice to it (and indeed it has – see Rosamond 2000). It is necessary to draw boundaries in this critical literature review. There is unlikely ever to be a single, unifying theory of the EU because the EU is a complex polity in its own right (Puchala 1999: 30). Devising a single theory of the EU would be as illogical as an attempt to devise a single theory of France, or of the US. Rather researchers must make a choice about what facet or dimension of the EU is important for their purposes. These choices are vital to narrow the scope of enquiry.

A framework to facilitate such narrowing exists in Peterson's (2001) call for EU theorists to make a choice. Peterson drew attention to a crucial cleavage between approaches to the EU grounded in the sub-field of IR as opposed to the sub-field of Comparative Politics. Peterson's framework works, in a very common-sense way, to parse a complex field into two broad spheres.

Simplifying slightly it is fair to say that researchers seeking to explore the legislative or executive workings of EU institutions are engaged in a very different endeavour than researchers seeking to explain how the postwar system of European international relations has taken shape and developed. Put differently, the EU has been forged, and has developed, as a result of decisions taken by national leaders. The EU is the product of those decisions and has developed into a polity that can be studied comparatively in terms of its executive, legislative, and judicial functions.¹² Researchers enquiring into the functioning of the polity itself are looking at what Peterson calls ‘policy-setting’ or ‘policy-shaping’ decisions.¹³ The two types of decision have a corresponding level of analysis. Policy-shaping decisions are taken at the ‘sub-systemic’ level with policy-setting decisions being taken at the ‘systemic level’. The focus herein is on ‘history-making decisions’ and the corresponding ‘super-systemic’ level (Peterson 2001: 294-310).¹⁴ The theories that operate at this level come from IR and it is those theories that will be reviewed.

Neofunctionalism’s over-enthusiasm

The first theory emerging from IR that sought to deal explicitly with European integration was neofunctionalism. The theory emerged in a very specific historical and theoretical context. The first, and still arguably landmark, offering emerged at the same time as European states were moving towards the establishment of the European Economic Community (EEC) and EURATOM

¹² Not to mention the approaches that study the networks of policymakers and lobbyists that have formed in Brussels as the EU’s policy competence has expanded.

¹³ The former involve the choice of a specific policy of course of action and the latter involve interactions before an actual choice of policy is made.

¹⁴ We can clarify the relationship between these levels by considering the following example. The decision to move towards a European single market made history, fundamentally changed the EU, and was taken at the super-systemic level. Within the context of the single market and the need to remove technical barriers, the decision to establish a European Company Statute represented a specific policy decision and was taken at the systemic level. That Statute did not appear from nowhere however and the policy was shaped, with input from various interest groups, at the sub-systemic level. The focus of this thesis is on the major foreign-policy decisions and thus the focus of this chapter is on theories that operate at that level.

(Haas 1958). The focus of the text was the workings of the European Coal and Steel Community that had commenced operations in 1952. Theoretically speaking neofunctionalism emerged at a time when, as sketched above, IR and political science more generally, were moving away from the classical analyticism that had characterised the 1940s and early 1950s. While not neo-positivist Haas' work shared with Deutsch's work a commitment to gathering systematic and quantitative data and then inductively reasoning to identify the conditions required for regional integration (see Deutsch 1954). Haas, and neofunctionalists following his lead, spent considerable time precisely prescribing their variables and then measuring them (see Barrera and Haas 1969; Schmitter 1969a, 1969b). This was initially more akin to logical positivism than the neo-positivism that would come to dominate the field. Haas' work was thus very much coloured by both the remarkable developments within Western Europe itself¹⁵ and the move towards (narrowly defined) scientific approaches to the study of IR.

Essentially, Haas' argument was as follows. Elites at the national level would take a decision to integrate in a technical economic sphere that was also a key strategic economic sector (coal and steel being the example in Europe in the early 1950s). To facilitate this integration a supranational authority would be created and empowered to advocate for further integration in new sectors of the economy. Integration of coal and steel would, by demonstrating its efficiency and rationality, act as a spur to further integration in areas such as transport because, without that further integration, the full benefits of supranational organisation would not be attained. The mechanism just sketched came to be termed 'spillover'. Spillover was seen, by neofunctionalists, as having a self-reinforcing logic that would work to systematically entrench the interdependence of national economies. A continuing demonstration of the efficiency of such integration would trigger the transference of loyalties to the

¹⁵ Haas was intrigued by the establishment of the ECSC, EURATOM, and the EEC. It is fair to say that his academic career was committed to the theorising of communities beyond the nation state. He was fascinated by the conditions under which nation states might weaken, change, or even disintegrate. Haas discussed the impact of growing up in Nazi Germany on his outlook and theoretical interests in an interview with *Conversations with History* (Haas 2000).

supranational institutions. Ultimately, new loyalties would emerge and they would forge new supranational communities (see Haas 1958, 1961; Lindberg and Scheingold 1970). Spillover was therefore first a technical and functional phenomena and then a political and ideational phenomena.¹⁶

Neofunctionalism's status as the dominant theoretical approach to integration did not last for long. By the mid-1960s a new historical context had replaced the bout of optimism about integration's future that accompanied the establishment of the EEC and EURATOM in 1958. The arrival of de Gaulle on the Western European political stage and the so-called Empty Chair Crisis took some of the gloss off neofunctionalism. Scholars realised very quickly that the notion of a single direction of travel, as people rationally shifted competences and then loyalties from nations to supranational institutions, was a fallacy. Additional concepts – such as 'spill-back', 'spill-around', 'build-up, and 'retrench' – were thrown into the mix alongside 'spillover' to try and capture the complexity of integration, and the fact that it was not destined to make continual progress.¹⁷ By the 1970s Haas himself was declaring neofunctionalism 'obsolescent' (Haas 1976: 173) and a 'pre-theory' (Haas 1971: 18-20). Nevertheless neofunctionalism remained a leading theory in the study of supranational integration, and not just in the context of the EU.¹⁸ In the context of the EU, however, neofunctionalism persisted and 'might even be described as the "authorized version" of European integration' (Rosamond 2000: 51). The persistence of neofunctionalism as a theory of integration is perhaps easier to understand when we remember how close its premises are to the Community

¹⁶ Haas (1958: 16) saw political integration as 'the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities to a new centre, whose institutions possess or demand jurisdiction over pre-existing national states'.

¹⁷ As Schmitter (1971: 242), a leading neofunctionalist, argued: any theory of integration had also to be a theory of disintegration.

¹⁸ One of Haas' doctoral students, Philippe Schmitter, worked with him to apply neofunctionalist theory to Latin America. The conclusion reached was that, applied to Latin America, neofunctionalism would predict the failure of regional community formation. The prediction was, in the short-term, correct. See Haas and Schmitter (1964). Haas moved on to examine the possibility of duplicating the transcendence of the nation-state at the global level. In a study of the International Labor Organization, that became Haas' second manuscript, he once again found that his theory predicted, fairly successfully, failure (Haas 1964).

Method, the official method by which European integration supposedly progresses. But the theory suffers from some significant defects.

The defects are, in essence, an unwarranted faith in the ability of supranational institutions to do a better job at solving complex social economic problems than the institutions of the state, coupled with a belief that the politicisation of the EU would be a positive for integration itself. On the first defect it was almost an article of faith in neofunctionalism that supranational institutions would have an efficiency advantage over the institutions of nation states. As integration progressed this was revealed to be far from true. As Majone (2009: 105) puts it, 'confidence in the superiority of the supranational institutions may have been inspired by the belief that the nation state was doomed, at least in Europe'. Such beliefs were fairly widespread among federalists, early functionalists, and even classical realists (see Murray and Rich 1996; Mitrany 1933, 1943; Carr 1942, 1945) and again show the importance of a contextual appraisal of neofunctionalism.

However, while an appreciation of context might help us gain an understanding of why neofunctionalism was so quick to embrace the superior efficiency of supranational institutions it does not dissolve the defect itself. It remains the case that 'the fatal mistake of the neofunctionalists was to assume ... that the advantages of supranational institutions ... were such as to guarantee their effectiveness, and thereby a progressive transference of loyalties and political demands' (Majone 2009: 27). The analytical narrative offered herein makes no such assumption. Instead it sees a consistent, and difficult to resolve, tension running through the history of European integration, a tension between the institutions of Confederal Europe and the Europe of States that spawned it. The notion of a slow and consistent progression towards political union, that characterised Haas (1958: xxiii), is also not a part of the analysis herein. A commitment to classical realism, and the centrality it affords to the national

interests of powerful states, leads logically to the conclusion that integration will remain a fragile process that can stall just as easily as it can progress.¹⁹

On the second issue – politicisation – neofunctionalism erred again. Neofunctionalism saw politicisation as an ingredient that would push integration forwards still further. Integration might begin in a fairly technical way but would become increasingly politicised. Politicisation would, in turn, have a reinforcing feedback effect (Schmitter 1969a: 164-6). A belief in politicisation as a spur to further integration was one of the crucial elements that separated neofunctionalism from earlier forms of functionalism (Hooghe and Marks 2006: 206). Functionalists recognised that politics, and political contestation, would be a drag on the process of creating new forms of governance and thus they favoured ‘socio-economic gradualism’ and believed in ‘the supremacy of welfare and technology over power politics’ (Pentland 1975: 9).

The politicisation of integration has not worked in the positive way that neofunctionalists theorised/hoped it would. Rather it has triggered a ‘constraining dissensus’ (Hooghe and Marks 2008: 1). As the policy competences of the EU have expanded following the Single European Act, beyond the realm of negative integration²⁰, the permissive consensus at the mass level began to erode. At the elite level there had always been the prospect of a leader such as de Gaulle, or Thatcher, frustrating integrative efforts. But through the early decades the masses seemed to be content to allow integration to develop in an environment that was largely de-politicised. Once politicisation

¹⁹ Classical realism does not see the national interests of states as fixed. Thus it is logically possible that the member states of the EU could all re-conceptualise their interests in such a way as to dissolve nation states and forge a new, federal entity in Europe. Equally it is possible that the member states of the EU will seek to protect and preserve their power and influence within the system that they have forged.

²⁰ Negative integration refers to efforts to remove obstacles to market integration but also to ‘restraining the discretionary powers of national governments and protected fundamental rights under European law’. It can be contrasted with positive integration which is concerned with ‘the development and implementation of effective supranational policies’ (Majone 2005: 143, and more broadly 143-61).

began it worked in a negative way, generating nationalist backlashes, in parts of the EU, against integration.

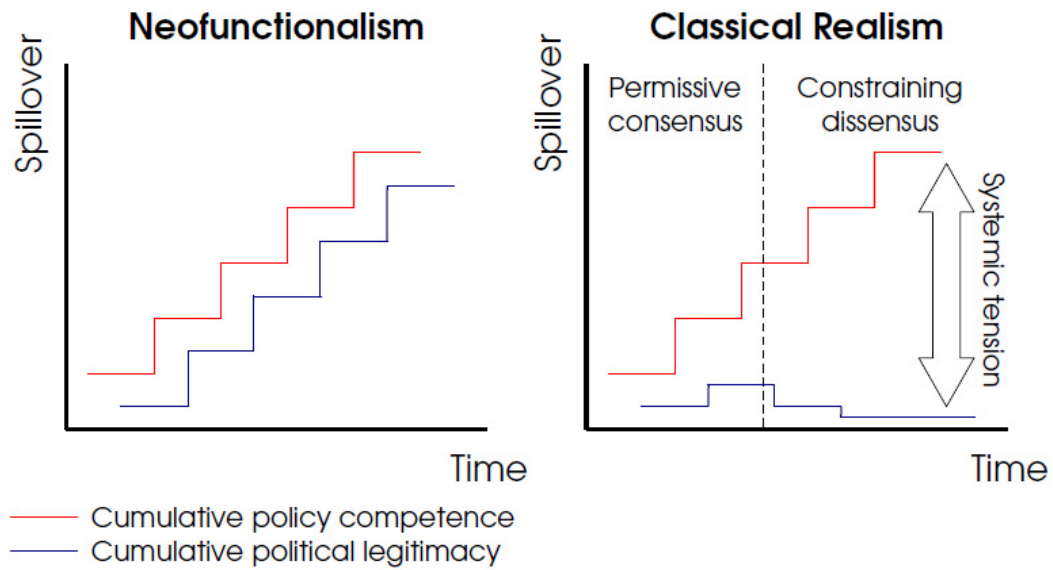


Figure 2.2. Neofunctionalism versus classical realism.

Conceptually, figure 2.2 captures the distinction between how neofunctionalists theorised the development of integration and how this thesis understands it. Ultimately this boils down to an issue of legitimacy, a form of power which is non-material and very much ideational. The legitimacy of the nation state and the ideational power of nationalism have proven far more resilient than neofunctionalists assumed. The legitimacy of supranational institutions and the ideational power of supranationalism have proven themselves to be very weak once competence is being exercised over anything beyond a narrow, technical realm. Where neofunctionalism sees spillover of policy competences trailing the spillover of political loyalty, and thus legitimacy, the classical realism developed herein sees the development of legitimacy as being marginal during the years of predominantly negative integration. What is more, the development of ever-more EU competences has actually de-legitimised the EU and thus the gap between policy competences and the underlying legitimacy of Confederal Europe has grown larger resulting in a systemic tension.

Liberal Intergovernmentalism's over-commercialism

Much like neofunctionalism, the original version of intergovernmentalism emerged from a very specific historical context. The arrival of de Gaulle, his assertion of a distinct form of French nationalism, and the sense that the momentum was draining from integration came together to create the context for Stanley Hoffmann's writings. Rosamond (1999: 75) has noted that the Luxembourg compromise, the result of de Gaulle's intransigence and desire to preserve French sovereignty and autonomy, was 'a moment when the fundamental premises of the integration experiment were renegotiated heavily in favour of the member-states and when the principle of intergovernmentalism triumphed over that of supranationalism'. It was natural that a new theory would emerge that fitted more closely the new realities.

Intergovernmentalism crystallised around Hoffmann's essays of the mid-1960s. Hoffmann (1995: 1-6) readily identifies himself as a realist but he has made it clear that his realism is not the paradigmatic version. Hoffmann shares with neorealism an emphasis on the primacy of the nation-state²¹ but he differs from them in that he sees national interests as 'constructs in which ideas and ideals, precedents and past experiences, and domestic forces and rulers all play a role' (Hoffmann 1995: 5). It follows from this that to truly understand the forces driving integration it is imperative to grasp developments at the level of domestic politics. There is thus continuity between Hoffmann's intergovernmentalism and Moravcsik's more formalised liberal intergovernmentalism over the need to examine integration at two levels, the domestic and the international. But where Moravcsik constructs models to explain rational behaviour at each level, Hoffmann adopts an approach much closer to classical analyticism. Hoffmann's challenge to neofunctionalism was

²¹ Reasserting the primacy of the nation-state within Western Europe was a push-back against the belief of neofunctionalists that the nation-state was losing its primacy and centrality. As integration continued to sputter on through the 1970s and early 1980s other scholars joined Hoffmann in reasserting the importance and resilience of the nation-state (see Taylor 1983; Wallace 1983).

thus distinct from its rival on both a scientific-ontological and a philosophical-ontological level.

Hoffmann never formalised his thoughts on European integration in a single text. However at the core of his essays lay an inherent and ongoing tension between the logic of integration and the logic of diversity. Hoffmann saw that the logic of integration, standing alone, was only half of the story. It had to be coupled with recognition that the European system was 'profoundly conservative' of diversity (Hoffmann 1966: 866). The logic of diversity worked to allow centrifugal forces to dominate centripetal ones.²² Hoffmann was not engaged in an explicitly dialectical mode of theorising but there is an implicit dialectic embedded in his writings. On top of the tension between integration and diversity Hoffmann (1966: 875) identified a distinction between high and low politics, with the former pertaining to politically salient issues such as foreign policy, defence, social welfare, education, health, and money and the latter pertaining to less salient, more technical areas such as trade, competition policy, and regulation. He saw integration as being more likely in the sphere of low politics where increased interdependence was eroding state autonomy. In contrast, high politics would be less susceptible to integration as states would fight to retain their sovereignty over such salient issues (Hoffmann 1966: 865).

The tension between Confederal Europe and the Europe of States in this thesis is, in a sense, a formalisation of Hoffmann's observation. Hoffmann, however, would never have called the EU a confederation, even an economic one, as this thesis does. He was clear that it constituted an intergovernmental system or organisation.²³ The distinction between high politics and low politics, enshrined

²² Hoffmann saw nation-states with specific positions in an international system and possessing distinctive national identities and outlooks. While state interests might converge it was just as likely, if not more so, that they would diverge. Hoffmann (1966: 866) made the point that 'once Europe began being made, the process collided with the question: "making Europe for what?" The process', he argued 'is like a grinding action ... when the users start quarrelling and stop providing, the machine stops'.

²³ Later in his career he suggested that the term 'regime' might be a more accurate depiction (Hoffmann 1982: 33-5). Regime theory was very much in vogue in the early-to-mid 1980s (see Krasner 1983) but was very much a product of the neo-positivism that had, by that stage, gripped the US academy. Neoliberal and neorealist versions of regime theory were tested

as a quasi-law by Hoffmann, is not adopted herein. Certainly the progress of integration in foreign and security policy has been significantly slower than in other areas but this is as much a result of the existence of Protected Europe as it is any inherent qualitative difference between high and low politics. Beyond these issues the biggest debt that this thesis owes to Hoffmann (1995: 3) is the notion that integration must be viewed in the context of the broader international system and especially in the context of the US presence in Europe. It might seem a common sense notion but, as Hoffmann (1964: 85) noted neofunctionalism tended to put a heavy 'emphasis on process' and this 'led to a certain neglect of the context, or at least to a view of the context that may have been too selective'. The tendency to look at developments in Europe through a funnel, therefore excluding the impact of external developments on the internal, was something that Moravcsik was guilty of also.

In formulating liberal intergovernmentalism, Moravcsik (1991, 1993, 1995, 1999) rationalised Hoffmann's approach in a neo-positivist way. Put simply, Moravcsik took a classical analytical approach and converted it for use by those preferring a neo-positivist methodology. If Moravcsik marks a rationalist departure from Hoffmann then this thesis marks an effort to formalise and make more systematic many of the ideas inherent in Hoffmann but in a way that remains faithful to his methodology. That Moravcsik's theory is prefaced with the word liberal (in contrast to Hoffmann's self-identification as a realist) is a reflection of methodological shifts in the academy. While Moravcsik is, in terms of philosophical-ontology, very different from classical realists he remains, in terms of scientific-ontology, closer to classical realism than even he might wish to admit. At its core Moravcsik's theory stresses the national preferences of states, negotiated amongst elite groups within the state, and the importance of the relative power of states in determining international outcomes. Classical realism is rooted in a similar appreciation of national interests that have to be

against each other in the narrowest of comparisons. It led Susan Strange (1982), with her typical impatience for academic self-indulgence, to label regime theory as little more than a passing fad that diverted scholars from empirical analysis of world politics towards internal theoretical debates.

constructed and negotiated domestically, and the distribution of power among states in the international system.

That Moravcsik is considered liberal is testament to the changes that took place in IR during the 1980s. The broad umbrella of classical realism was tossed aside in favour of the emergence of the paradigms discussed above. The emergence of a realist paradigm served to 'make many fairly obvious things about international relations seem to be major theoretical puzzles in need of arcane scholarly explanations' (Wohlforth 2012: 503). The realist paradigm, with its commitment to viewing the state as a black box, fostered an academic environment in which 'any theoretical or empirical demonstration that the nature of domestic institutions "matters" ... could be touted as a major finding' (Ibid). Moravcsik's career through the late 1980s and 1990s was concerned with establishing a coherent liberal theory of IR (see Moravcsik 1997). But the space for such a theory to emerge was created by the solidification of a realist paradigm against which a liberal paradigm could be pitted. IR scholars had forgotten, or more accurately expunged from theory, elements that seemed basic common sense to the classical realists writing decades earlier.²⁴ Moravcsik's take on European integration was a central component of his broader project, namely to advance a new and rigorous liberal IR that would meet the standards of a US academy committed to neo-positivism.

Tasked with carving out space within the IR field onto which a distinctive liberal theory could emerge Moravcsik focused on commercial and economic preferences as the primary motives of states and the elites that control them. This could then be contrasted with the emphasis on military power and 'geopolitics' – although Moravcsik never clearly defines that term – that

²⁴ Returning briefly to the neo-neo debate: the two approaches were very carefully prescribed and closed research agendas. Both were rationalised fragments of classical realism in which parts of what used to form a more coherent and historically aware whole were parcelled out into new theoretical silos that had to be tested, one against the other. Elshtain (1997: 31) commented on this aspect of political 'science' remarking that 'such victories are in the nature of family feuds; they occur within what Wittgenstein would call a single language game, an arena, in this instance characterized by refined and sophisticated techniques coupled with conceptual confusion. Perhaps this combination', she suggested 'of sophistication and confusion helps to explain why so much contemporary political science is so trivial and leaves us so cold'.

animated the realist paradigm and the two could be tested against each other. The theory of liberal intergovernmentalism itself is so well-known and widely-cited that it can be summarised very briefly here. In its most recent form (Moravcsik 1999) it is a theory in three parts.²⁵ First is a liberal theory of national preference formation at the domestic level. Second is an intergovernmental theory of bargaining that operates at the international/EU level. Third is a model of institutional choice that explains the structure of international organisations (of which the EU is but one).

Put simply the argument is that national chiefs of government aggregate domestic interests, particularly the interests of a group of political and commercial elites, and then move from the domestic level to the EU level with firm preferences established (Moravcsik 1993: 483-96; 1999: 35-50). At the EU bargaining table what counts is the relative power of each member state. A process of hard bargaining ensues in which the most powerful member states may make side payments to less powerful states, which can block developments, in order to secure their acquiescence (Moravcsik 1993: 496-507; 1999: 60-7). Domestic preferences and intergovernmental bargaining can thus be seen as the 'demand' and 'supply' side of integration respectively (Moravcsik 1993: 481-82). The institutional design of the EU – including the pooling of sovereignty through QVM in the Council of Ministers, and the limited delegation of sovereignty to institutions such as the Commission and the ECJ – is explained rationally as an attempt to increase the credibility of commitments and to provide a monitoring function, thus increasing transparency and decreasing the likelihood of states' defecting from or cheating on their commitments (Moravcsik 1999: 73-7). Of particular note is how, at each of the three stages, Moravcsik goes to great lengths to downplay the role of EU institutions. Domestic preferences are derived from the national polity and are not shaped by the existence of the EU itself. In other words, Moravcsik sees no feedback loop by which past cooperation in an EU framework influences the interests of

²⁵ As presented in Moravcsik (1993) the theory consisted only of the first two parts. It was subsequently developed and refined over five years.

member states in future rounds of negotiation. The Commission, as either entrepreneur or broker, hardly influences the bargaining process. The institutional design, as far as Moravcsik is concerned, is strictly principal-agent.

Liberal intergovernmentalism is actually a collection of middle-range theories fused together as a theory of integration. The construct is the epitome of qualitative neo-positivist work and Moravcsik draws out and tests specific hypotheses in five case studies throughout *The Choice for Europe*.²⁶ Liberal intergovernmentalism thus operates, in a sense, at cross-purposes with this thesis. In theorising integration as a series of discrete bargains Moravcsik misses a lot of context. Each case study becomes a data point and any sense of a historical logic behind integration is lost. Furthermore, in an effort to confirm his commercial preferences hypothesis and discredit anything that might be ideational or geopolitical (for they would be constructivist or realist, and hence not liberal) he presents a very fragmented narrative that jars with more in-depth historical treatments of specific events.

The narrative rests on a separation of economic/commercial motives from other motives, for the purpose of comparative hypothesis testing. This is particularly odd for three reasons. First, Moravcsik lumps almost everything that does not fit his theory into the box labelled 'geopolitics'. Second, he concedes that 'geopolitics' has causal clout in eight of his fifteen cases (Moravcsik 1999: 474). Third, he concedes that the first moves to form the ECSC were influenced by geopolitics (1999: 104; see Gillingham 2000: 85) and that, had commercial interests been the overriding concern, then the EU would likely never have moved beyond a broad free trade area (Moravcsik 1999: 90). By focusing laser-like on commercial factors Moravcsik is, by his own admission, sacrificing the element that can help us understand the distinctive and confederal character of the EU. It is hardly surprising, therefore, that the

²⁶ Moravcsik's five case studies are the grand bargains that have punctuated the development of European integration, namely the Treaty of Rome, the consolidation of the Common Market in the 1960s, the founding of the European Monetary System, the negotiation of the Single European Act, and finally the Maastricht Treaty. Each of the five case studies is analysed from the perspective of France, Germany, and the UK thus providing 15 cases in total.

distinctive characteristics are written off in an attempt to reduce the EU to just another international organisation. An obvious question is thus begged: why separate commercial policy from conventional diplomatic and foreign policy concerns if the reality is that the two are highly interlinked?

The answer is that Moravcsik's neo-positivism compels him to do so. But Hoffmann (2000) has demonstrated how, in the case of de Gaulle's policies towards both the EEC and possible UK membership, commercial interests were intertwined with broader foreign policy and diplomatic aims (see Keeler 2000).²⁷ Hoffmann makes the point clearly and accurately: 'Moravcsik has pushed a sound point too far; he is "either-or". The commitment to this separation leads to some needlessly provocative claims such as the denial that German unification was a major factor in shaping the Maastricht Treaty. Beyond that, the separation itself is not well handled. While Moravcsik is good at operationalising his own theory he is poor at operationalising the alternatives. *The Choice for Europe* is less a rigorous testing of several theories and more an elevation of one theory, precisely defined, over a grab-bag of parts of other theories that are treated sloppily and discarded. There are other defects of Moravcsik's work. By selecting cases that represent forward-momentum for the EU he could be accused of selection bias. The impact of US military power on the construction of postwar Europe is airbrushed out of the narrative (as it must be as to include it would veer towards realism as Moravcsik understands it).

Finally, and significantly, Moravcsik (1999: 80-1) goes to great lengths to discuss the virtues of using 'hard primary sources' in conducting international history. He implores researchers to get to grips with cabinet papers and other sources that he deems uncorrupted and uninfluenced by the sort of grandstanding and concern for image that can often permeate memoirs, biographies, and public policy documents. The call is convincing on the surface;

²⁷ In Moravcsik's analysis a global statesman of de Gaulle's stature is reduced to a figure that more closely resembles an Agriculture Minister. Not only does this characterisation cut against almost every political biography of de Gaulle but it presents a one-dimensional figure in the same way as the states in Moravcsik's world are one dimensional constructs focused on rather narrow commercial advantage (see Moravcsik 2000a, 2000b).

however, scratch that surface, and we are reminded that unvarnished facts, free from interpretation, are a rare thing in history (Lieshout et al. 2004: 121-39). Beyond issues of interpretation, which Moravcsik clearly feels he has mastered, there is a deeper problem, namely that his book is striking for its lack of such hard primary sources. Moravcsik's mastery of the secondary literature is admirable but primary sources are thin on the ground. A thorough review of a section of *The Choice for Europe* has shown that the sources are softer, and the evidence weaker, than Moravcsik would have us believe (Lieshout et al. 2004: 92-94, 117-21).²⁸ Primary sources are not a negative thing, of course, but nor do they offer a route to some objective truth. The workings of power in world politics are not captured in cabinet papers and declassified government documents. It is hard to escape the conclusion that Moravcsik's appeal to hard primary sources is little more than smoke and mirrors designed to give his scholarship a veneer of objective truth that it does not possess.

Constructivism and neorealism: yet more 'either/or'

Since *The Choice for Europe* there have been a number of other theories offered, drawn from IR, of European integration. Two examples – constructivism and neorealism – serve as further evidence of the neo-positivist dominance of mainstream IR and the fragmentation of what ought to be a unified narrative into several competing strands.²⁹

²⁸ Perhaps two percent of references throughout his case study chapters are to what are defined as hard primary sources. The vast majority are to political memoirs, standard secondary literature, or interviews that Moravcsik has conducted. Yet it is hard to understand how officials being interviewed would be less prone to the sort of gloss and distortion that Moravcsik sees as characterising biographies and memoirs.

²⁹ Historical institutionalism, associated most closely with Pierson (1996), also stands as a challenge to liberal intergovernmentalism. It makes space for the impact of institutions over time and argues that institutions can influence or constrain state behaviour further down the line. Pierson (2000) has argued that institutions generate sunk costs and bring increasing returns over time. Once established actors learn how to operate within them and they can become very difficult to turn on a dime. Again the fragmentation of IR as a result of neo-positivism leads us to a situation where, should one argue that both the power of France and West Germany led to the creation of the EU and that the EU, once created, generates sunk costs

Constructivism in IR has been usefully categorised by Jackson (2011: 141-2) as 'a scientific ontology and a set of substantive foci: norms, ideas, cultures, and so on'. Constructivists can work with a variety of philosophical-ontologies and, it must be stated clearly, constructivism is not a theory of IR but rather an approach to studying IR. This is not the appropriate place to engage in a forensic examination of constructivism within IR (see Hurd 2008). For the purposes of this discussion I will engage with mainstream constructivism, of the kind associated with Wendt and Checkel, amongst others. The tendency, within that mainstream, has been to veer towards a neo-positivist methodology. Such an approach involves, as one would expect, the testing of hypotheses about norms and ideas. Moravcsik, writing with Checkel, has argued that constructivists must present their theories in ways that are susceptible to hypothesis-testing and falsification if they are to be taken seriously (Checkel and Moravcsik 2001). Some have been happy to reply to this call (Checkel 2003; Lewis 2003; Riise 2004; Hooghe 2005). Others (for example Didier Bigo, Friederich Kratochwil, Richard Ned Lebow, J. Ann Tickner to name just a few), not subscribing to neo-positivism have not been so willing. For those working with alternative methodologies, which reside outside of the IR mainstream, the call by Checkel and Moravcsik could be seen as a call for conformity from those in a position of power.

Mainstream constructivist scholarship has carved out a clear role within EU studies and, in fact, it frames much of the scholarship published on the EU in leading academic articles. However, as already stated, this research draws necessary boundaries within the EU studies literature and focuses exclusively on those works that grapple with integration. Constructivist work on the EU spans a wide-range of subjects including: the roles of ideas, norms, and socialisation *within* the Commission (see Hooghe 2005); the concept of Europeanisation and the ways in which integration is changing the identities and perceptions of national ministries (see Green Cowles 2001, Olsen 2002,

and creates a certain degree of lock-in, that scholar is likely to be accused of theoretical confusion.

Borzel 2002, Checkel 2007, Radaelli 2008, Ladrech 2010); and transnational identity formation and the construction of a European public sphere (see Favell 2008, Checkel and Katzenstein 2009, Risse 2010). Despite this ever-increasing body of work there has been little in the way of integration theory that adopts an explicitly constructivist approach, at least as constructivism is understood in the contemporary academy.³⁰

The most comprehensive effort to provide a constructivist account of integration does seek to 'attribute causal impact to ideas where their effects are most clearly demonstrable' (Parsons 2003: 232). Parsons' monograph is admirable and provides a detailed and compelling analysis of how the ideas of post-war French elites were themselves framed by the ideas of earlier French elites who thus created a framework for successive generations. Over time these ideas, Parsons argues, were institutionalised and ultimately normalised over several decades. However, Parsons' approach elevates ideas to causal status and the emphasis of the explanation shifts from material capabilities and the uses made of them. We are, in short, back in the realm of 'either/or'. Classical realism, as Williams (2004) has demonstrated, is very comfortable with the notion that ideas matter in world politics. However, as Gilpin (2005: 362) has noted, 'ideas are always bubbling up, but if an idea does not get some kind of power behind it, it will disappear ... Political and social ideas must be backed by power if they are to be effective'. Williams (2004: 660) captures this well, identifying a commitment in Morgenthau and other classical realists to employ 'a broad understanding' of concepts such as 'interest and power'.

That the idea of a common market and supranational integration was embraced by France and West Germany is thus important. The material power and economic weight of France and West Germany backing the idea of a European economic confederation can be appreciated in terms of the interaction between the material and the ideational; the two do not have to be separated out for the purpose of comparative testing. Classical realism thus permits an appraisal and

³⁰ For example, it is fair to claim that much of Haas' neofunctionalism chimes with the ideas of contemporary mainstream constructivism.

an understanding of the role of ideas in the development of European integration without sacrificing an emphasis on material power and capabilities. The ability of classical realism to include both the ideational and the material within an historical interpretation is, at root, a reflection of its methodological approach and its onto-epistemological commitments, both of which are very different from mainstream constructivism. Classical realism is thus concerned with understanding how ideas emerge and are employed by groups in pursuit of interests.

The power of ideas, part of the fabric of classical realism, has no role whatsoever in neorealism. One of the first neorealist engagements with the EU was an article by Mearsheimer (1990) in which he makes the argument that the end of the Cold War would likely see the withdrawal of both superpowers from Europe and the descent of the continent back into anarchy and security competition.³¹ He made some concrete predictions about Germany seeking nuclear weapons and the potential triggering of an arms race in Central and Eastern Europe as an insurance policy against a revived German threat (1990: 32-40). The obvious problem is that such predictions failed to materialise. Far from a scientifically derived theory that can help explain events and predict the future neorealism was employed, in this instance, to further controversial argument for its own sake.³² Reviving his argument sixteen years later Mearsheimer (2006: 116-17) pointed to the continued presence of US troops in Europe and claimed that, if they were withdrawn, Europe would return to its 19th and early 20th century ways. Any notion that the interests and identities of European states have been reconstituted since 1945 is dismissed.

Mearsheimer derives an explanation from a theory that contains two dogmas, namely the primacy of structure and the belief that bipolarity is inherently more stable than multipolarity. The result is an ahistorical view of Europe that is not

³¹ While not going so far as to argue that the presence of the superpowers allowed Europe to escape from a condition of anarchy Mearsheimer did argue that the presence of foreign troops on European soil served to stabilise relations between European states.

³² Rengger (2000: 67) has drawn attention to Mearsheimer's controversialist tendencies.

equipped to engage with the political realities of postwar Europe. The logic is one of conflict that cannot be transcended apart from through the sustained application of military force to pacify the continent. The argument advanced in this thesis accepts that the US security guarantee dissolved the security dilemma in the early postwar years and that the provision of this public good enabled European states to spend money in other vital areas, such as social welfare. However, the security guarantee also allowed the space for the identities of European states to be reconfigured and for new ideas about how the continent of Europe should be organised economically and politically to take root. Mearsheimer simply does not recognise that such roots exist. For him, if you take away the security guarantee, you take away six decades of historical learning and identity formation too. Hoffmann (1990: 192), wisely and politely, suggested that Mearhsimer 'ought to learn more about the European Community and about the way in which its existence and its institutions affect the goals and expectations of its members'.

Sebastian Rosato, a student of Mearsheimer, has offered a more comprehensive neorealist treatment of integration. Rosato is highly faithful to the realist paradigm and identifies a single independent variable – the structure of the international system – as explaining the dependent variable of European integration. Integration arose out of a need to balance against the Soviet Union.³³ There have only been two systemic changes in the history of European integration. The first was the change to bipolarity following World War II, a change that sparked the drive to integrate and balance. The second was the collapse of bipolarity over 1989-91. The relatively static nature of the institutional architecture of the EU from the 1960s to the 1990s is explained by the static nature of the system in which it was embedded. The change in structure following the collapse of the Soviet Union explains what Rosato sees

³³ Rather than balance militarily against the Soviet Union – a logical move given that the threat posed was overwhelmingly military – Western European states opted to 'retain their military sovereignty and wait to form a military community in the event that the US actually withdrew its forces and left them to contain the USSR on their own' (Rosato 2010: 47, and 20-40 more generally).

as the fraying of the EU and leads him to conclude (2011: 48; and 2010: 244-55) that 'it may become a shadow of its former self'.

The current Eurozone crisis is certainly grist to Rosato's mill. But the effort to consolidate the single market from the 1980s, the establishment of EMU and the introduction of the euro, the development of a Common Foreign and Security Policy (CFSP), the deployment of more than a dozen overseas missions under the European Security and Defence Policy (ESDP), and enlargement to fifteen new member states do not smack of a union fraying at the edges before it comes apart at the seams. Rosato's construct also relies on something of a straw man. He argues that the present state of affairs – one with no external threat to balance again – 'means that there is hardly any chance that the Europeans will take any real steps toward political or military integration' (Rosato 2011: 83). Two things stand out. First, even in the current crisis-plagued Eurozone, realistic commentators expect some limited form of fiscal policy coordination with nobody other than idealistic Euro-federalists seriously entertaining the notion of political integration or union. Second, on military integration, while the EU has not made any significant moves towards fully integrated structures it is notable that the most significant developments in terms of security institutions, military forces, and more effective EU-level sanctioning of third parties have occurred since the collapse of the Soviet Union (Jones 2007: 93-6, 131-35, 217-19). It is striking how little Rosato's explanation marries up with the actual progress of integration. His ad-hoc hypothesis – that the EU survived the first decade following the Cold War because of prosperous economic conditions (Rosato 2011: 73) – is remarkable insofar as it undermines his central structural thesis.

Such ahistoricism does not get us very far. By cutting itself off from any concern with non-material dimensions of power, and the issue of legitimacy, it is rendered incapable of engaging with a key fault line in the current European political order. By positing a single independent variable, a variable that is singularly necessary both to trigger integration and to sustain it, Rosato locks himself into a predictive logic in which everything since the collapse of the

Soviet Union has to be interpreted as evidence of the fraying of the EU. We are back with the sort of static picture presented by Mearsheimer two decades earlier. States with histories and identities are erased, replaced by States A, B, C, and so forth. The logic that dictated state behaviour in the 1930s must be the same logic that determines state behaviour in 2011.³⁴ Faced with the current Eurozone crisis a neorealist approach can offer little in terms of purposeful thought about how a new compromise between power and morality that would both reflect existing political realities and form the basis for progressive change might be struck. It simply offers an authoritative nod and the assertion that 'this is what we expected would happen'.

3. Conclusion

This chapter has presented two primary arguments. First, that 'science' can and ought to be broadly defined in IR. Doing so reveals that the mainstream approach – neo-positivism – is far from the only legitimate methodology. The history of IR offers a rich variety of methodological approaches, grounded in specific philosophical-ontological commitments. This thesis is engaged in science in the sense captured by Weber (1999: 160), namely 'a thoughtful ordering of empirical actuality'. Analyticism is the methodology used to construct a narrative of European integration grounded in classical realism. Classical realism, as an approach IR, possesses its own scientific-ontological commitments regarding the centrality of national interests and power to developments in world politics. But it does not embrace the comparative hypothesis testing of neo-positivism. Leading integration theories, many of which adopt some form of neo-positivism, tend to fragment an integrated narrative into separate spheres. We have a situation in which neorealists look at

³⁴ Commenting on Mearsheimer back in the early 1990's, Hoffmann (1995: 284) hit the nail on the head: 'Just because Germany remains in the middle of Europe, and is again more powerful (but *not* in all dimensions) than its neighbors, is there really no difference between the revisionist imperial Germany in clumsy search of a world role, the rabid revolutionary Germany of Hitler, and the satisfied, cooperative and world-shy new united republic?'

the EU through a structural lens stressing military power and security; liberals look through a commercial lens stressing economic power and rationally-derived economic preferences; and constructivists look through an ideational lens that stresses identities and norms. Analyticism unifies these fragmented parts and stresses the interplay between different forms of power over time. Rather than looking through a single lens the methodology offers the ability, much like an optician, to add, subtract, or amend lenses to bring reality into sharper focus (figure 2.3).

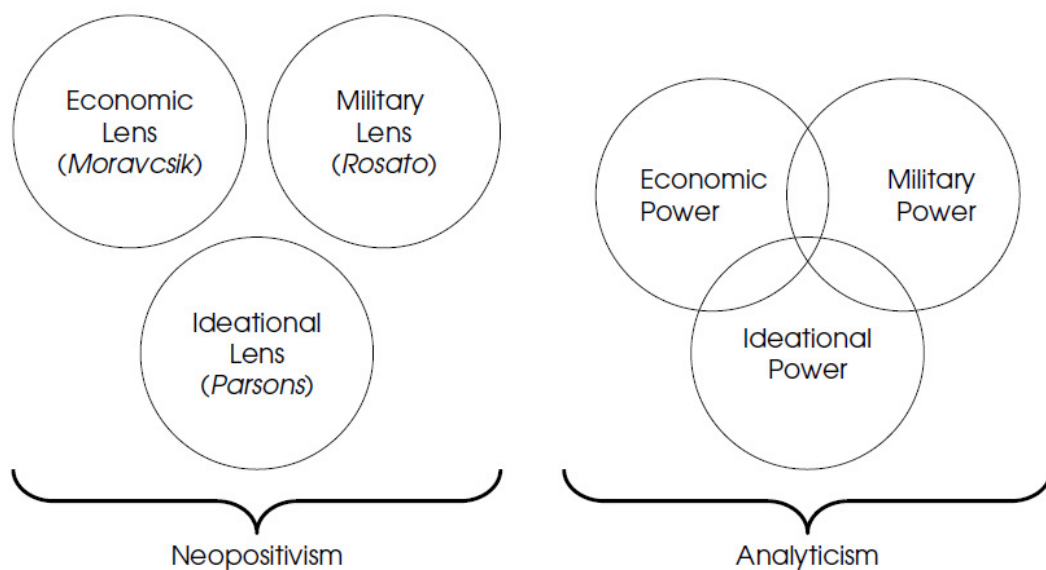


Figure 2.3. Neo-positivism versus Analyticism

Analysing the EU in this way offers a better way of getting to grips with the governing dynamics than existing integration theories and that is the second principal argument of the chapter.

The analytical methodology adopted herein is mindful of the limits of theory in the social sciences and of the need to interpret events while always seeking to remain faithful to a broadly defined objectivity. The product is, in the words of Trevelyan (quoted in Evans 1997: 25) ‘a mixture of the scientific (research), the imaginative or speculative (interpretation), and the literary (presentation)’. Before engaging with the history of postwar Europe in the following chapters it is appropriate to close with a quote from Hoffmann (1977a: 44) who, writing

about Raymond Aron, captured the reality of the limits of classical analytical IR theory with accuracy and concision.

A theory of undetermined behavior cannot consist of a set of propositions explaining general laws that make prediction possible, and can do little more than define basic concepts, analyze basic configurations, sketch out the permanent features of a constant logic of behavior, in other words make the field intelligible.

CHAPTER 3

PROTECTED EUROPE DURING THE COLD WAR

The purpose of this chapter is to explore the development of Protected Europe during the Cold War. It explores developments in the security structure of the Western European system during the Cold War with a particular emphasis on the role of military power. The main argument of the chapter is that, in parallel with Milward's (1992) thesis of a 'European rescue of the nation state' economically, there was an 'Atlantic rescue of the nation state' militarily and strategically. Whereas Milward's thesis focused on the use of Europe to ensure the viability of the nation state in a new era of social democracy and welfare states, the Atlantic rescue ensured that the nation states of Western Europe retained viability in the face of the security threat that was, or was perceived to be, the Soviet Union.

Within that argument two more specific points are developed. First, the Western European system was reconstructed as a military protectorate after 1945. It thus became a somewhat artificial system in which one of the primary issues typically confronted by states, namely the provision of security, was alleviated through 'policing' by hundreds of thousands of US soldiers (mirrored in Eastern Europe by Soviet military preponderance). This represented a significant and sharp move along the anarchy-hierarchy spectrum towards a more hierarchical order. The presence of such significant US military power acted as a stabilising force. It provided security against both the Soviet Union and also against the possible revival of hostilities within Western Europe itself. It also served a psychological purpose, elevating a continent sapped by the turmoil of war while mitigating the guns-versus-butter trade-off thus enhancing

the capacity of Western Europe's states to provide the social welfare services demanded after 1945. The emergence of this protectorate can be understood according to realist logic. The most powerful actor in the global system, the US, had determined that its national interest mandated ensuring security and stability within Western Europe. The US backed this up with specific commitments, most notably the North Atlantic Treaty Organization (NATO).

The second point is that the construction of this protectorate, and the loss of autonomy it entailed on the part of Western European states, triggered a series of challenges and attempts to secure more autonomy. Realism would expect such a scenario as it places an emphasis on the desire for autonomy and control, insofar as possible, by states (Wight 1991: 111-14). During the Cold War the US commitment to securing Western Europe had the paradoxical effect of creating the space for leaders such as Charles de Gaulle overtly to challenge that structure. But there was a problem. Western European states were caught in a trap as, in order to amass the power necessary to secure autonomy from the US, it was necessary to give up some autonomy to 'Europe' however defined. Western European efforts to change the protectorate status quo failed because they were incapable of finding a way out of this 'autonomy trap'. The result was an oftentimes unsteady status quo, maintained by a fundamental divergence between Western European states possessing an Atlanticist outlook (primarily the UK) and those possessing a Europeanist outlook (primarily France).¹ In short the logic of diversity dominated the logic of unity within the Western European system in the security arena, thus creating inertia and entrenching the status quo (figure 3.1).

Carr (1942: 274), a founding realist, was alert to the reality that, from a military perspective, the nation states of Europe were too small to be viable units of security in a post-1945 world dominated by two superpowers. National security for Western European states, and the international security of Western Europe

¹ West Germany, as will be discussed below, straddles a somewhat uncomfortable middle-ground and has often found itself searching for a near-impossible balance between pleasing both a US that was determined to maintain an Atlantic framework for European security, and a France determined to establish a European framework that it could lead politically.

as a whole, would have to be provided for on a larger scale or an aggregated level. Carr remarked (1942: 274) that people ‘must be induced to determine themselves into different units for different purposes and that, for the control of military and economic policy, the national unit has become visibly too small’. His vision was of a ‘community of national thought and feeling’ alongside multinational units of military organisation that would provide for security at a level transcending specific nation states (Carr 1945: 59).

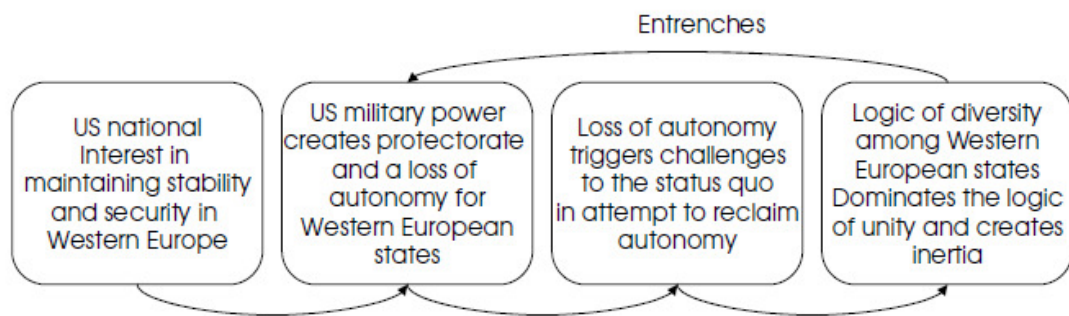


Figure 3.1: The logic of the Western European system (security structure).

Carr’s call for a continuation of the ‘mixing-up’ of national military forces that had occurred between Allied forces during World War II was based on his pragmatic assessment of the need for some ‘concentration of military power’ in order to preserve the peace. Recognising that any genuinely international, or European, army was idealistic he suggested the realistic alternative of extending ‘an established framework of inter-Allied organisation’ (1942: 246). In recognition of the irrelevancy of claims to neutrality and the toothless nature of collective security Carr suggested that leased bases and integrated forces continue to operate. In this way small nation states could achieve security and maintain some nominal independence (1945: 54-56).

In the immediate postwar period, security was no longer just, or even primarily, about maintaining borders in the nineteenth century sense. Such conceptions had been obliterated along with the cities of Hiroshima and Nagasaki as the world entered the atomic age (Herz 1959). What was required was a ‘solution which seeks to divorce international security and the power to maintain it from

frontiers and the national sovereignty which they represent' (Carr 1945: 58). By disassociating frontiers and security Carr saw the possibility to redefine self-determination in a way that might avoid destructive wars.²

NATO was akin to Carr's vision.³ But it was also a regional projection of the preponderant military power of the US. Carr had been alert to the reality that any stable security structure in post-1945 Europe would require a commitment of military power by some extra-European power. Overestimating the relative power with which the UK would emerge from World War II Carr suggested it as the obvious candidate for that role. Ultimately it was the US that assumed the mantle but Carr's realist logic was followed even though he erred on the specifics (1942: 177-84). Developments were certainly less consensual and multilateral, and more hegemonic, than Carr had envisioned but the basic fact remained: Europe's security was provided by a significant injection of extra-European power.

The structure of the chapter is chronological: it reviews a series of key developments in the Western European system during 1945-1989. The first section considers the emergence of a US national interest in maintaining stability and security in Europe and the creation of a protectorate through NATO. The second section considers the turbulence of the late 1950s and early 1960s when de Gaulle and Adenauer, in different ways, challenged that security structure. The third section considers the stabilisation of Cold War tensions through policies of *détente* and *Ostpolitik* before considering the renewed disputes over Western European security during the 1980s.

² Carr's utopian side perhaps got the better of him as he imagined 'an international general staff or series of general staffs for different regions, operating ... under a world security organisation' (1945: 59-60). If we substitute the term 'world security organisation' for 'US army' the sentence does stand as fairly accurate. In the European theatre the general staffs were internationalised through NATO although the US retained control.

³ The security institution of global international society, the United Nations, failed to secure the military contributions from its members called for in the UN Charter and remained, militarily at least, a paper tiger (Kennedy 2006: 54-5).

1. Establishing a protectorate and rearming West Germany, 1945-55

The contrast between the security structure of Western Europe in 1945 and that of 1955 is dramatic. It was an eventful decade. In 1945 the continent stood in ruins. Germany, at the centre of the continent, was divided and placed under four power occupation by the military forces of the US, the UK, France, and the Soviet Union. A decade later the dividing lines of the Cold War had split the continent in two. In Western Europe, by 1955, NATO had been firmly established as an integrated military structure controlled by the US. And West Germany had been rearmed and admitted to NATO. The structure that had crystallised by 1955 was the result of very specific national interests and the distribution of power within both the global system and the Western European system. For the first time in modern history Europe was shaped as a derivative of the global system and the interplay between the two is crucial to understanding these developments.

Europe transformed from centre to stake

The first thing that must be understood about 1945 is that it altered the scale at which power was exercised in world politics. Victory over Hitler's Third Reich brought two continent-sized superpowers to the heart of Europe. The transition symbolised what Holborn (1951) called 'the political collapse of Europe'. This collapse went far beyond a temporary loss of power and wealth and was instead a fundamental transformation in the role of Europe within global politics. The continent that had previously dominated global politics was now reduced to a mere stake in a global system dominated by the US and the Soviet Union (Watson 1992: 286). Europe was 'no longer the center of world politics around which local balances would group themselves', but was 'a mere function of the

world-wide balance' (Morgenthau 1978: 208).⁴ These new realities were quick to materialise. Efforts to craft a new security structure for Western Europe based on the outdated logic of Europe as relatively autonomous were little more than historical footnotes. The principal example of such an effort was the Dunkirk Treaty of 1947, signed by the UK and France, to guard against possible future German aggression. It developed further with the inclusion of Belgium, the Netherlands, and Luxembourg into the Brussels Treaty of 1948. Neither was of major significance as both focused on the previous threat, Germany, and not the newly emergent one, the Soviet Union. DePorte (1986: 138) argues that the Brussels Treaty represented the first European stirrings of a defensive alliance against the Soviet Union. The realities of power, however, meant that the five members were somewhat impotent in the face of the Soviet threat.

The early postwar years saw a convergence in the national interests of the Western European nation states and the US. This convergence led Western European states to 'invite' the US to inject its military power into Europe. The US accepted the invitation (Lundestad 1986: 296-72; Ikenberry 2006: 22). The invitation was the product of a combination of the threat posed by the Soviet Union, residual fear of a revived German aggression, and a desire to extract a commitment from the US to the military security of Western Europe. The US was the only actor powerful enough to provide such a credible guarantee and the Western European states were psychologically and physically exhausted after six years of war. The need for European economic recovery was linked to the need for military 'reassurance' and Ernest Bevin, the UK foreign secretary, voiced his concern that 'without a guarantee they could believe, their experience of war and occupation and their fears of a repetition would continue to inhibit their recovery of confidence. Only an association which included the USA could provide such a guarantee' (Bullock 1983: 687).

⁴ Or as Martin Wight (1978: 167) put it, World War II turned 'the whole of Europe into a buffer zone between Russia on the one side and the English-speaking powers on the other. Russia transformed Eastern Europe into a frontier belt of satellite states, a glacis against intervention; the West European seaboard ... became equally vital to the United States'. Aron (1966: 453) summed it up: 'The blocs have been created by the collapse of the European states, by the encounter, in the center of the old world, the two "liberating" armies'.

To quote the title of a book on realism: 'there is no virtue like necessity' (Haslam 2002). Whilst perhaps overly pithy, the sentiment captures the reason for Western Europe's invitation. Classical realism stresses that states wish to retain autonomy and freedom of action, but as Wight (1991: 114) remarks, 'not only freedom, but power is needed to pursue interests'. Western Europe simply lacked that power in the immediate postwar years. They faced a dilemma: the Soviet Union represented an intimidating power and the strength of domestic Communist parties in France and Italy was a cause of great concern. In seeking to ensure that they did not lose their freedom by falling under Soviet dominance they had little choice but to sacrifice some freedom of action to the US. It was essentially a choice between two superpowers. Ultimately any loss of freedom was judged to be far less through a military and security alliance with the US as opposed to falling under the more vice-like grip of the Soviet Union.

Necessity offers a compelling reason for Europe's invitation but the bigger puzzle remains: why did the US accept this invitation? The US was committed, even during World War II itself, to crafting a new global economic order. The decision to create new security structures was far less clear-cut and the situation remained fluid during 1945-46 (Reynolds 1985: 497-515). Certainly the US found itself in an enviable situation in 1945; it was 'undamaged and more powerful than any of the other protagonists' (Dinan 2005: 15). The scale of US preponderance had been so well-documented that it does not need to be re-rehearsed here.⁵ The US had the luxury of conceiving of its interests in genuinely global terms. But that situation was not, in itself, sufficient to trigger the scale of commitment that the US made to Western Europe.⁶

⁵ This power included, for example, the largest GDP, a monopoly on the atomic bomb, ownership of half of the global supply of shipping, two-thirds of the global supply of gold, three-quarters of the world's invested capital, and biggest exporter of goods and services. See, amongst many others, Ulam 1971: 4-6; Paterson 1979: 15-16; Kennedy 1987: 353-72; Leffler 1992: 2; Ikenberry 2001: 167).

⁶ Any notion of structurally determined behaviour, so favoured by neorealists, is ahistorical and intellectually barren. The US situation in 1945 could just as easily have led to an 'offshore balancing' strategy (Mearsheimer 2001: 234-66) involving the building up of a Western Europe capable of holding the line against the Soviets thus keeping Europe balanced and preserving US

The US situation had to be interpreted by policymakers and a national interest had to be identified and pursued. There was a strong preference among some leading policymakers, notably George Kennan, to create a Europe capable of balancing and deterring the Soviet Union without the sort of guarantees entailed by NATO (*FRUS* 1948, Vol. 1: 522; Kaplan 1984: 82-92; Schwabe 1992: 169-80).⁷ 1946 was the crucial year in Washington policy circles. An internal debate among US policymakers was settled in favour of a national interest in ensuring the stability and security of Western Europe. The region was identified as a vital strategic interest and containment emerged as the preferred policy (Leffler 1992: 100-40; Krock 1968: 417-82). By 1947 a clear division of Europe had emerged. Two groups of states, each with a superpower sponsor, had crystallised.⁸ As Aron (1974: 58) observed, the acceptance by Western European states of the US security guarantee was symbolic of an initial acquiescence on their own part to both bipolarity within the global system and the division of Europe that was a derivative of that bipolarity.

resources. But the US opted instead for a hegemonic strategy. How that national interest was formed and pursued thus becomes vitally important.

⁷ Specifically Kennan argued that the US had to demonstrate to the Soviet Union that it was 'worth their while (a) to reduce communist pressure elsewhere in Europe and the Middle East to a point where we can afford to withdraw all our armed forces from the continent and the Mediterranean; and (b) to acquiesce thereafter in a prolonged period of stability in Europe' (*FRUS* 1948, Vol. 1: 522). Kennan went on to advance 'Program A' with the aim of having one German state and no permanent division of Europe (Miscamble 1992: 145-47; Stephanson 1989: 130-45; Kennan 1967: 418-66). He was a proponent of European unification for geopolitical reasons, seeing it as a credible way for the continent to emerge with autonomy.

⁸ It is beyond the scope of this thesis to engage with the question of 'how the Cold War started'. There is a wide historiographical literature on the question. Gaddis (1972) offered an early analysis that explored the role of the US in the origins of the Cold War but that identified the Soviet Union as the state principally responsible. Revisionist accounts placed more blame of the policies of the US (Kolko and Kolko 1972). Gaddis (1983) then attempted a post-revisionist synthesis that accepted some of the revisionist points but maintained that the primary cause was Soviet policy and, more specifically, Stalin himself. Gaddis' more recent books (1997, 2005) have been especially critical of Stalin's politics. Studies by Zubok and Pleshakov (1996) and Roberts (1999) made the case – stronger in the latter than the former – that the Soviet Union was not to blame for the Cold War and that Stalin's regime was open to the possibility of cooperation with the West. Most recently Haslam (2011) has offered an historical account drawing on Soviet sources that claims the Cold War was the result of Soviet ideology that in turn triggered a hostile response from the US. The balance of evidence seems to suggest that the Cold War was not inevitable but was a war of choice on both sides. Indeed Leffler (1994: 64-5) has remarked on how measures taken to enhance security by both superpowers created a classic security dilemma that fed itself, entrenching a dynamic of conflict.

Establishing NATO as Western Europe's protector

The decision to commit to the security of Western Europe, and the need to prevent it from falling into the Soviet sphere of influence, led the US to offer a security commitment through NATO. The commitment was initially confined to the treaty itself but it contained a crucial provision on collective security, Article V.⁹ NATO, as an alliance, became a central institution of the Western European system. The US was not hoodwinked into providing this guarantee; it was a conscious policy choice, in service of the national interest, to extend their power and maintain the stability and security of Western Europe. As Calleo (1967: 139) observed, this was an alliance designed to allow the US to exert leadership of Western Europe in the security sphere. An institution like NATO does 'possess very substantial power ... [but] it is not held independently of its member states' (Jackson 2000: 103). In the case of NATO the principal power and controller was the US by virtue of the amount of military power it had available to sink into the alliance (Bland 1990: 119-21). This is not to say that America's primary partners – the UK and France – were excluded; they were not (Condit 1976: 382-99; Ireland 1981: 161). But NATO was, in essence, a manifestation of US hegemony (Webb and Krasner 1989: 196).

NATO evolved rapidly. By 1953, it 'had been transformed from a traditional alliance, implying little more than a commitment to stand together, to an integrated army' (Hilsman 1959: 23). The transformation was vital if NATO was to provide a genuine and credible counter to the conventional threat posed by

⁹ The twelve original signatories and members of NATO were the US, Canada, the UK, France, Belgium, the Netherlands, Luxembourg, Italy, Portugal, Denmark, Norway, and Iceland. Collective security is the concept that members of the collective security organisation are obliged to come to the defence of any other member who is attacked. It is neatly summed up in the phrase 'an attack on one is an attack on all'. As Kupchan and Kupchan (1995: 52-3) put it: 'Collective security rests on the claim that regulated, institutionalized balancing predicated on the notion of all against one provides more stability than unregulated, self-help balancing predicated on the notion of each for his own. Under collective security, states agree to abide by certain norms and rules to maintain stability and, when necessary, band together to stop aggression'.

the Soviet Union and the nascent threat posed by West Germany. Numerous US government documents demonstrate the awareness of the need to have an integrated structure in order to avoid a potentially fragmented response to any Soviet land aggression in Western Europe (*FRUS* 1949, Vol. 4: 354; *FRUS* 1950, Vol. 3: 213, 274, 859). These developments, and the deployment of over 350,000 US soldiers in Western Europe by 1955 were what transformed Europe into a military protectorate. It was not the collective security commitment or the paper-based treaty; it was the injection of overwhelming material power. The build-up was remarkably rapid and the US had decided to maintain a large military presence in Western Europe by the early 1950s (*FRUS* 1952-54, Vol. 7: 556; Eisenhower 1963: 400). The commitment included generous sums of military aid, conventional troop presence, and the deployment of tactical nuclear weapons in 1953 as part of Eisenhower's 'New Look' strategy (Nelson 1987: 37-59, 81).

Transposing the 'German Question'

As Aron (1966: 382) points out, 'the constitution, after the outbreak of the Korean War, of the NATO Supreme Command marked a new stage in the formation of blocs'. Developments in Korea raised the spectre of a possible hot war on the European continent. The conclusion drawn, by US policymakers, was both that NATO had to become a 'political-military community ... comparable only to Anglo-American cooperation between 1941 and 1945' (see *FRUS* 1950, Vol. 3: 213; Kaplan 1984: 145-75; Ireland 1981: 183-220). The second conclusion, crucial to the development of the security structure of Western Europe, was that West Germany had to be rearmed in order for that integrated community to have any real teeth. US policymakers articulated a clear national interest in rearming West Germany in September 1950 (Mayne 1983: 311-16). The immediate problem was that any move to rearm West Germany would raise French concerns. The US thus faced a delicate balancing act between a need to add the military strength and capacity of West Germany to their side of the

European military balance and the need to ensure that old fears and security concerns did not resurface in a way that would cause instability. The US attempted to balance these competing interests by devolving to the states of Europe control over the means of attaining the end of West German rearmament.

In response French policymakers proposed the European Defence Community (EDC), a radical proposal that would have transformed the security structure of Western Europe. The intricacies of the EDC's institutional design will not be recounted here in depth (see Fursdon 1980) but the proposal was radical insofar as it proposed a European army. Monnet (1978: 346) summed it up:

the solution of the German problem in its military aspect ... [is] the establishment of a European army with a single High Command, a single organization, unified equipment and financing, and under the control of a single supranational authority.¹⁰

US policymakers, led by secretary of state Dean Acheson, supported the plan and this support persisted under the Eisenhower administration (Acheson 1969: 557; *FRUS* 1952-54, Vol. 7: 502; Eisenhower 1963: 398-404). Despite this support it was made very clear by US policymakers that the EDC would be embedded within NATO structures.

The act of forging a European army with a common defence minister and political representation would have marked a fundamental shift insofar as the idea of armed force and military power would have been denationalised. This was not a route that France would have opted for on its own initiative. It was a product of France's national situation: it was highly dependent upon, and subservient to, the US. Washington had set a clear and non-negotiable aim that left little room for manoeuvre. What room was left was used boldly by French policymakers.

¹⁰ The EDC was, put simply, a military counterpart to the European Coal and Steel Community (ECSC). It sought to apply the same solution – namely binding the power of West Germany into a European framework – in the military sphere as the ECSC had achieved in the economic sphere.

Ultimately the EDC failed, voted down by the French National Assembly in August 1954, after the other five participants had signed and ratified the treaty. Dinan (2005: 59) has referred to the EDC as something that 'traumatized France politically, tested Franco-German relations to the limit, and deeply alienated France and the United States from each other'. For West Germany there was little choice but to agree to the EDC. With French and US support the EDC represented the best option to help West Germany on its path back to sovereignty and equal standing in Europe. West Germany's chancellor, Konrad Adenauer, prioritised rearmament not just to regain sovereignty but also out of concern for the armed forces present in neighbouring East Germany (Irving 2002: 94-101). The national interests of the US and West Germany were, on this issue, congruent. Ultimately, both were interested in a process with a specific outcome more than they were interested in any specific structure.

Considerable historical research has been conducted on the question of why France, having proposed the EDC in 1950, eventually killed it four years later after considerable political capital had been invested in it. The answer lies in both French domestic politics and also the implications of the EDC for the development of the Western European system. At the domestic level France had no stable national interest given shifts in the party-political makeup of the National Assembly. It also was struggling to deal with a draining conflict in Indochina (Hoffmann 1966). In terms of the Western European system, there was a fear that the EDC 'would freeze existing power relationships' (Hoffmann 1966: 913) and represent far too great a loss of French sovereignty. A review article considering the debate in the National Assembly is very revealing of the sensitivities about French sovereignty and the position of France within both Western Europe and the global system (Laites and de la Malene 1957). The EDC would have frozen a balance of power within Western Europe and potentially frustrated France's capacity to play any significant role globally. For these reasons, France could not commit. Morgenthau (1962: 211-12) noted that even if the EDC had been established, 'it is the most dangerous of illusions to expect that loyalty to so artificial and tenuous a chain of command will supersede

loyalty to one's own country'. The rejection was the first sign of a serious French challenge to the rapidly emerging status quo that would emerge more fully under de Gaulle's leadership.

The failure of the EDC was not the end of the issue. The pattern of national interests and the distribution of power meant that the need for West German rearmament remained non-negotiable in August 1954. A nine-power conference over September-October 1954 resolved the issue by establishing that West Germany would be admitted to the Brussels Treaty Organisation, now renamed the Western European Union (WEU), and then to NATO through the WEU. The WEU, it must be noted, remained 'an intergovernmental organization with no operational functions' (van Eekelen 1989: 7) from 1954-85. The French were still able to wring concessions from West Germany in the shape of commitments not to construct nuclear weapons, not to have more than twelve army divisions, and not to possess any bombers or guided missiles (Ruane 2002).

The WEU/NATO initiative came from the UK who had remained aloof from the EDC because of its supranational nature. In order to secure the agreement of the French to their proposal the UK foreign secretary Anthony Eden committed four army divisions to the continent along with a pledge not to remove them without majority support within the WEU. It marked the return of UK military power to the continent and 'made it easier for France to reconcile itself to the ascendancy' of West Germany (Morgenthau 1962: 217). More crucially, the subsuming of the issue of West German rearmament and the WEU itself under NATO was a signal of the new reality that the Western European system was, to all military intents and purposes, governed by US interests.

2. Between Reconciled and Resisters, 1955-69

By 1955 the security structure of Western Europe had crystallised. The structure was one of dependency, power imbalance between the US and the Europeans, formalised in the NATO alliance framework. Following the debacle

of the EDC, the US adopted a new approach that exhibited firmer leadership in security and military affairs. This relegation of the states of Western Europe to protectorate status had an impact. Specifically, it created a division between those who were content to accept the status quo of US dominance of the security structure, and those who were intent on challenging and revising that status quo. The years 1955-69 were thus characterised by a series of incidents and strategies that tested, but did not fundamentally alter, that security structure. The moves were largely French-driven and were aimed at amending the security structure of both the Western European and global systems. France sought a greater voice within the global system and the pursuit of that meant attempting to harness the power of Western Europe and using it to support that aim.

A delicate balancing act

Although each of the West European states found themselves in a protected situation in the post-war era this status was not sufficient to create identical national interests. The smaller states – Belgium, Luxembourg, and the Netherlands – found it easiest to reconcile themselves to the status quo because autonomy in the security sphere had never been much more than illusory. Even Italy was, for the most part, happy to reconcile to the status quo and US protection (Hoffmann 1966: 874). The principal dynamic during 1955-69 was between the US and the two most powerful states within Western Europe, France and West Germany. France was resistant to the loss of autonomy entailed by US preponderance. West Germany found itself in a complicated position in which it was trying both to stick close to the US for security purposes but also continue a rapprochement with France for political purposes. This had the potential to cause frictions in West German policy, especially when the policy preferences of the US and France diverged. However, it is fair to say that West Germany never seriously wavered from the resigned camp and the result was that throughout the period it never fully supported any French-led effort to

resist US security dominance. The key division within the Western European system was thus between a resistant France and a resigned West Germany.¹¹ The failure of France to be any more than a nuisance factor is easily understood through classical realism. France was not powerful enough to challenge the security structure by itself, it needed to rally Western Europe behind it, but the logic of diversity within Europe prevented this from happening.

Whereas the Suez crisis of 1956 had helped reconcile the UK to subservience to the US, it had quite the opposite impact on France and, at least initially and rhetorically, on West Germany. Historical retellings of a meeting between Adenauer and the French premier, Guy Mollet, at the height of the crisis emphasise the degree of alarm at the lack of autonomy possessed by Western European states in the face of US military power (Schwarz 1997: 243-5). Hitchcock (2000: 100-1) quotes Adenauer as declaring that 'now it is time to create Europe'. Adenauer may or may not have uttered those words, but what was to follow over the next dozen years fell far short of creating something distinctively European in the security sphere. Furthermore it was France that took the lead in the challenge, not West Germany. The national interest of France, throughout this period, was geared towards challenging the status quo and seeking greater power, prestige, and influence. The national interest of West Germany, throughout this period, was geared towards preservation of the status quo. Bonn needed to balance the ongoing rapprochement with France with the need to defer to the US as its security guarantor. The situation was one

¹¹ The UK stood largely apart from these developments and showed no desire to challenge the status quo. However, nor did the UK have to appease the French by appearing to support their initiatives. The UK was placed firmly outside the 'Europe of the Six', which formed around the EEC, and the events of Suez in 1956 had solidified the sense of resignation. The policy pursued post-1956 was the rather woolly one of a 'special relationship' with the US (Young 1993: 49-56). The UK's pretension to any genuinely global role was abandoned in pragmatic recognition of the global balance of power. The UK instead sought, in the words of Harold Macmillan, to play Greece to America's Rome (Reynolds 1986: 2). The provision of bases, essential material to NATO, and considerable arms production all helped the UK to carve out a subservient role, but a role nonetheless, in support of US security policy in Europe (Reynolds 1986: 8). Kissinger (1994: 548) described the special relationship, quite accurately, as a 'means of gaining maximum influence over decisions which were essentially made in Washington'. It was a tolerable gloss to put over geopolitical decline.

in which West Germany's rhetorical commitments to France often lasted only until the US called West Germany's bluff.

Paradoxically it was US power, and its projection into Europe, that created a situation in which France could challenge the status quo so forcefully. Morgenthau (1970: 325-31) has described this as the 'impotence' of US power. Essentially the US had created a situation in which its own material power was neutered by a context of its own creation. Morgenthau (1970: 113) was right to see that it was

De Gaulle's paradoxical good fortune that he can count upon the protection of the United States regardless of what he says and does. However much he may annoy American sensibilities and antagonize American interests, we cannot help but protect him, not for his sake but for ours.

The extension of US power and interests into Europe thus created a feedback mechanism in which France was given the space to challenge that very power. The US could not protect Europe without also protecting France and thus de Gaulle's brinksmanship with NATO and his forceful challenge to the security structure represented, in a sense, a risk-free bet. If he was successful he had used French power to secure French interests; if he failed then he still had the US security guarantee to fall back on. In the case of West Germany, the American national interest in ensuring that it did not gravitate towards the Soviet Union, and thus alter the European and global balance of power, created the context in which US-Soviet Union relations were beholden to the US-West German dynamic.¹²

De Gaulle challenged the security structure in a number of ways during his decade as French president. He represented an attempt to harness the power of Western Europe, under French leadership, to balance US power. At the most strategic level de Gaulle's outlook was of a 'European Europe' and this was an

¹² As Molloy (2003c: 16) has noted, 'far from being a situation of submission/dominance, the US's satellites had become parasitic upon its power'.

outlook fundamentally different to the US vision of an 'Atlantic Europe' (Winand 1993: 245-64; Bozo 2001). Under de Gaulle there were two distinct types of challenge. The first, characteristic of 1958-64, was to seek a greater role for a French-led Europe within the established structures of the global system. This meant challenging the structure of Western Europe, in order to create that role, but not the broader structure it was embedded in. The second, characteristic of 1964-69, was to seek the same aim but through challenging the structures of the global system itself.

De Gaulle's challenge from within

During the first period French policy was characterised by a sequence of failures. De Gaulle attempted to secure US and UK approval for a trilateral directorate to manage the Cold War globally (Grosser 1980: 187). The endeavour reflected French national interests in North Africa and the Middle East and a desire to exert leverage there (*FRUS* 1958-60, Vol. 7: 81-83, 128-44, 164-81). The US quickly dismissed the idea as at odds with its desire for autonomy in the global security structure (DePorte 1986: 232). De Gaulle's response was a slow withdrawal of the French commitment to NATO, which culminated in the exit of France from the integrated military command in 1966. De Gaulle thus sought to gain leverage for his attempts to gain more influence within the system. NATO was used as a bargaining chip in a failed attempt to gain more influence. It was not a move towards isolationism by France, quite the contrary (DePorte 1986: 234). There was, as Trachtenberg (1999: 238) noted, a deep tension in the Atlantic Alliance by the dawn of the 1960s.

More significant was the Fouchet Plan in which de Gaulle attempted to harness the power of Western Europe in support of French interests. The Fouchet episode was long and convoluted (Giauque 2002: 126-57; Gerbert 1987) but it was ultimately thwarted by suspicions, on the part of France's Western European partners, about the intergovernmental structure and Atlanticist tone

it possessed (Bozo 2001: 77-82). Fouchet is very revealing of the tension between the resigned and the resistant with Western Europe. The six states that agreed to explore the Fouchet proposals were already cooperating in the economic realm, having established the EEC in 1957. But military security was another matter. January 1962 saw the French putting forth a set of proposals for intergovernmental cooperation that was free from NATO and the EEC, broadened the scope of the proposed institutions to include economic cooperation, and called for a committee of education. The other five countered with a proposal that reiterated the importance of NATO, made the structure more supranational, and refocused it exclusively on foreign and security affairs. The gulf was too wide to be bridged.

De Gaulle (1971: 199) recognised these realities, remarking that 'in the state of the Cold War ... everything for them was subordinated to the desire for American protection'. The US was also opposed to Fouchet because of the challenge it presented to their control of the Western European security structure. Thus a combination of opposition from within Western Europe and without combined to bring it down. The division within Western Europe on the issue of military security was noted by Gordon (1997/98: 83): 'The French National Assembly rejected the EDC largely because it was too integrated and too Atlanticist, and the Fouchet Plans were rejected by the Belgians and Dutch in 1962 because they were not integrated and not Atlanticist enough'. France's European partners were also concerned that the General had the still fragile and developing EEC in his sights. The division was crippling.

Despite the significance of de Gaulle's call for a greater voice within the Atlantic Alliance, and the attempt to establish the Fouchet Plan, the most destabilising development was the Elysée Treaty signed by France and West Germany in January 1963 (Giauque 2002: 77-97, 192-223; Bozo 2001: 83-84). That West Germany was prepared to lean towards France was itself the result of deterioration in US-West German relations (Costigliola 1989: 40-43; Freedman

2000: 72-78, 92-111).¹³ West Germany's long-term interest remained reunification. As Zelikow and Rice (1995: 57-58) note, over 1958-62, 'the active linkage between the defense of West Berlin and the commitment to one Germany frayed and unification moved further into the background'. De Gaulle's statecraft during this period showed an ability to play on West Germany's fears that the US might move to settle the borders of Europe, solidify the Cold War structures, entrench the division of Germany, and agree Germany's eastern border at the Oder-Neisse line. This set of developments had the potential to happen through a dynamic within the global system – between the US and the Soviet Union – that was over the heads of France and West Germany and contra the interests of the latter.

The Treaty raised alarm in Washington (Ball 1982: 271; Sorenson 1966: 643-44; *FRUS* 1961-63, Vol. 13: 62-63). It was seen as a shuffling of West Germany towards a Gaullist position and the fear of a genuine bilateral dynamic that could challenge US primacy. Seeing their national interest in the security sphere under threat, the US moved quickly to frustrate and dilute the Treaty to the point at which it was neutered (Bozo 2001: 105). The US made it clear to West Germany that any directorate with France was unacceptable and issued a clear ultimatum that essentially posed a choice between retaining the US as security guarantor and switching to a policy of insurance by the French (*FRUS* 1961-63, Vol. 13: 148-50, 163-65). The US also intervened in the domestic politics of West Germany to have a preface added to the Treaty that neutered it significantly and, in the process, damaged Adenauer's standing (Trachtenberg 1999: 375-77).

Ultimately the Treaty was too overt a challenge to the US. Although Adenauer paid lip service to it there was never any serious risk of West Germany joining with France in a serious challenge to the status quo. The division between a status quo West Germany and a prestige-seeking France remained. The Treaty

¹³ Specific issues that created tensions included the Berlin Crisis and US acquiescence in the construction of the Berlin Wall and concerns over the credibility of the US nuclear commitment and the logic of extended deterrence.

may have brought the two nation-states closer together in a European context but it was neutered, thanks to US actions, in terms of its external impact. Mayer (1996) captures the reality that West Germany had no choice but to stick with the US; it was literally an issue of survival given that West Germany would have been ground zero in the event of any military conflagration between the superpowers. But the France-West Germany bilateral relationship remained a concern for the US throughout the 1960s as it had the potential to 'fragment Europe and divide the Atlantic world' (*FRUS* 1964-68, Vol. 13: 308-09).

The nuclear issue was a particularly important area during this decade. The US had extended its nuclear protection to Western Europe but a nuclear stalemate slowly had emerged between the US and the Soviet Union. The commitment of the US was questioned by France (*FRUS* 1961-63, Vol. 13: 310-15), as was the doctrine of extended deterrence.¹⁴ Washington was acutely aware of these questions and Kennedy remarked to Congress: 'The whole position in Europe has changed since NATO was founded. Then there was a nuclear monopoly, now there is a nuclear balance. The United States could say that it was prepared to act by trading New York for Paris, but would we really do so?' (*FRUS* 1961-63, Vol. 13: 668).

It was this dynamic within the global system that helped convince the French to push ahead with their force de frappe (later force de dissuasion).¹⁵ It also helped further de Gaulle's strategy. Without an independent nuclear deterrent, France would be incapable of winning over other Western European states. French leadership of Western Europe with a nuclear capacity was a long shot but French leadership without it was a no-shot. The logic was thus to enhance French autonomy but also to make France more viable and attractive as a

¹⁴ The literature on extended deterrence is long and the issues complex. See Freedman (1989) and Stromseth (1988).

¹⁵ It must be noted that the force de frappe pre-dated de Gaulle's return to power. It emerged in 1954, coinciding with the end-game in the negotiations about West German rearmament. The decision is best understood as a mechanism by which France sought to re-establish its military strength vis-à-vis West Germany. It was a mechanism to ensure that the balance of power in European international society remained favourable to France in terms of military power. De Gaulle pushed ahead with the project because it fitted with his broader strategic vision.

security provider. It was fruitless, but once again it raised alarm in Washington because of the possibility it might trigger a desire for nuclear capability within West Germany (Bozo 2001: 62-63; Trachtenberg 1999: 336-45).

The US response was the ill-fated Multi-lateral Force (MLF), which was designed to make the force de frappe irrelevant, even superfluous, and to keep West Germany away from any nuclear leanings (Costigliola 1994). The US even hoped that the UK would place their Polaris-based system (that had been provided by the US in 1962) under the framework of the MLF. It was another attempt by the US to push the Western European system into a situation of security dependence (Winand 1993: 227; *FRUS* 1961-63, Vol. 8: 458-60).¹⁶ Allowing West Germany into the MLF would create an equal playing field with the UK and France, but an equal playing field at a very low and very dependent level (Kaiser 1995: 65-85). The MLF was pushed hard by President Kennedy in mid-1963 (*FRUS* 1961-63, Vol. 13: 188, 208-09), on the back of the Elysée Treaty, and again in mid-1964, by Lyndon B. Johnson. France and the UK remained uninterested throughout; the UK was content with Polaris and the French pursued its independent force. Absent any ability to force the UK and France to sign-up to the MLF, the US abandoned the idea.

De Gaulle's second challenge: toward Pan-Europa?

De Gaulle's strategy changed significantly in 1964 as he began to pursue a policy of détente, entente, and cooperation with the Soviet Union. The long-term vision behind this shift was to end the Cold War structure, unify Europe from the Atlantic to the Urals, and grant France the space to exert an independent role as

¹⁶ De Gaulle responded poorly to the UK desire for its own nuclear programme. Kennedy withheld the Skybolt programme from the UK but offered Polaris as an alternative, an offer that solidified US control over the UK in this respect (see Costigliola 1995). The US was not prepared to lend such support to the French quest for its *force* although, after de Gaulle, they did so quietly (Ullman 1989). In Winand's words (1993: 227) the US sought to 'bring the French and British nuclear forces down to the same level in order to thwart the political and nuclear ambitions of both nations. Equality would forestall the divisive forces of French and British nationalism and prevent the most divisive force of all from re-emerging: German nationalism'.

the leader of that new Europe. It was a delicate balancing act in which de Gaulle sought

to lead the other allies, not cut France off from them; to reduce American power but not eliminate its still essential presence in the European balance of power, to lead the Soviet Union to negotiation by opening the prospect of reducing US power in Europe, but not dismantling the Euratlantic system without getting the Russians to make reciprocal moves in the East (DePorte 1986: 234).

West Germany was as central to this strategy as it had been to the earlier strategy. De Gaulle played to West Germany's desire for reunification and, post-1964, suggested that the best prospect for that laid in détente across the whole of Europe. Such an arrangement was an alternative security arrangement to dependency on the US and the subjugation of Europe to the 'two hegemons'.

In much the same way as de Gaulle tried to capitalise on US-West German tensions during the early 1960s, he now sought to get ahead of what he saw as the beginnings of a more relaxed and cooperative engagement between West Germany and the Soviet Union (and by extension the states of Eastern Europe). This turn, crystallised in West Germany's policy of Ostpolitik from 1969 onwards, came too late for de Gaulle – who left power that same year – to capitalise on. Nor was this turn anywhere near the order of magnitude necessary to attain de Gaulle's rather grand transformative vision. Developments in Czechoslovakia in 1968 and the Soviet Union's firm response (Judt 2005: 444-46) ended the illusion that Soviet control in Central and Eastern Europe might be slowly eased (DePorte 1986: 237). The détente that did materialise in the 1970s was far from the détente envisioned by de Gaulle.

For the better part of a decade de Gaulle made calculations of the French national interest. But also knowing that he had a security guarantee from the US in his pocket, he pushed the boundaries in terms of challenging the status quo. At no point, however, was the security structure of Western Europe on the brink of being altered. For that to happen de Gaulle needed allies in his effort to alter

the balance of power; he found none. Kissinger (1994: 617) summed it up well: 'de Gaulle had made Franco-German cooperation the lynchpin of his foreign policy. But ... there was a limit beyond which no German statesman would or could go in disassociating from the United States'. France's attempt to alter the balance of power in its favour failed because it did not match interests with capabilities. De Gaulle ended up seriously overreaching. While 'France had the capacity to thwart American designs here and there ... it was at no point strong enough to impose its own' (Kissinger 1994: 616).

3. Stabilising and then shaking up Europe, 1969-89

1969 was a highly significant year in the development of European security. The key shift was in the outlook of West Germany and the symbolic watershed was the arrival of a government in Bonn led by the Social Democrats, and Chancellor Willy Brandt.¹⁷ Brandt ushered in the policy of Ostpolitik which represented a fundamental alteration of West Germany's relationship with the Soviet Union and East Germany, and its outlook towards Central and Eastern Europe. This move marked acceptance of the Cold War division of Europe and a pragmatic acknowledgement of the need to deal with existing realities as opposed to doggedly pursuing the Hallstein Doctrine. Named for Walter Hallstein, the state secretary at the Foreign Affairs ministry during 1951-58 and then President of the European Commission until 1967, the doctrine was a refusal by West Germany to recognise the East German regime. West Germany was seen as the only legitimate German state and it refused to extend legitimacy and recognition to East Germany.

¹⁷ Brandt had served as Vice-Chancellor and Minister for Foreign Affairs under the previous CDU-SPD government of Chancellor Kurt Kiesinger. The CDU had occupied the Chancellor's office since 1949 under Adenauer, Erhard, and Kiesinger. Brandt's policy of Ostpolitik had been developed over 1966-1969 during Brandt's tenure as Vice-Chancellor. Brandt's adviser Egon Bahr was also instrumental in developing and crafting the policy. See Hahn (1973); Griffiths (1978).

Later in the 1970s a further move towards accepting the realities of a divided continent saw the establishment of the Conference on Security and Cooperation in Europe (CSCE) in 1973 and the conclusion of the Helsinki Final Act in 1975. These developments were reflective of the move towards détente during the Nixon-Kissinger years in Washington. This growing acceptance and stabilisation of Europe during the 1970s was replaced by renewed turbulence during the 1980s as the Reagan administration embarked on a new round of military expenditure and the deployment of new missiles in Europe in response to Soviet moves to place missiles in Ukraine.

Ostpolitik, Helsinki and the move to stabilise Europe

Ostpolitik has to be appreciated in the context of the 1968 crackdown by the Soviet Union in Czechoslovakia. That action made it clear that the Soviets 'would not permit a marked growth of economic and other ties between their allies and West Germany, or at least would require in exchange a high political price in the form of [West] German confirmation of the status quo' (DePorte 1986: 184). The Brandt government that took office in 1969 had a simple choice: pursue an Eastern policy on those terms or 'return to a Cold War rigidity' that had been abandoned by West Germany's allies (DePorte 1986: 185). Brandt (1976: 123-24) observed that de Gaulle's policy could never have been supported by those on the right of the CDU and 'was really, in many respects, paving the way for our subsequent Ostpolitik'. France was too weak to attempt any relaxation of European tensions but the view in Brandt's administration was that West Germany might possess such power. The decision to pursue Ostpolitik was highly realistic given that 'for years' the US and West European states 'had paid lip service to the idea of German unity while doing nothing to bring it about.

That approach had come to the end of its possibilities. The Atlantic Alliance's German policy was collapsing' (Kissinger 1994: 735).¹⁸

Faced with the reality that its national interest – namely the reunification of Germany – was unlikely to be attained through a Western policy, West Germany adjusted its outlook accordingly. As a strategy Ostpolitik saw, as its end point, a European continent that was not policed by the superpowers, not overlaid by alliances in which extra-European powers held the power, and that only contained one German state. It was a lofty goal and it challenged the US interest in the status quo. The Atlantic Alliance had just withstood a significant decade-long challenge from de Gaulle and now it faced another threat to its cohesion from Brandt.

In a sense both de Gaulle, from the mid-1960s onwards, and Brandt were engaged in trying to advance pan-European policies that transcended the bipolar focus of the US and the Soviet Union. De Gaulle's was revolutionary in a way that Brandt's was not, however, and this accounts for the greater willingness of the US to support Brandt in a way that they could not support de Gaulle. By this point in time West Germany had also re-established itself as clearly the dominant economic power in Western Europe (Marsh 2011: 56) and this, appreciated by Nixon and Kissinger in Washington, produced greater latitude than France had enjoyed in the 1960s. In reality Brandt 'disavowed any intent to force changes in the bipolar status quo. His actual strategy was to alter the status quo by accepting it formally. Once communication and trade were reopened, he thought time could be expected to do the rest' (Calleo 2001: 104). By the mid-1970s Ostpolitik had 'run its course' and the CDU 'could no longer make political capital out of the risk it supposedly posed to European stability

¹⁸ As DePorte (1986: 186) put it: 'The Germans were again wise to realize that the time had come to give up the gossamer pretension that reunification was likely to emerge of itself from cold war confrontation. The Eastern policy, backed by the electorate at each step and continued by the conservative government that replaced the Social Democrats in 1982, was a sensible acceptance of the irreversibility of past events and at least a start toward removing some of the obstacles to a different sort of future. Ostpolitik has been as realistic as the earlier policy of alliance with the West, the more so as the old remained intact as the foundation of the new'.

and German security' (Dinan 2005: 158). It had become the settled policy, designed to pursue the national interest of West Germany.

Although initially skeptical, the Nixon administration warmed to Ostpolitik as it realised that it was not the revolutionary policy of de Gaulle reincarnated and as the policy itself gained traction within West Germany. In fact, as a policy that aimed at stabilising European international society and easing East-West tensions it was possible that Ostpolitik could even serve US interests.¹⁹ While not attaining its overall goal, Ostpolitik was not without successes. West Germany recognised East Germany, accepted the eastern border with Poland (the Oder-Neisse Line), improved its relationship with the Soviet Union, and existing European borders were recognised as inviolable (Garton Ash 1993: ch. 2). While Ostpolitik brought gains for West Germany in terms of its external relations, it also strengthened East Germany by providing external security and financial transfers that helped dampen domestic unrest (Garton Ash 1993: 152-76). The prospect of reunification was never farther away and the Soviet Union continued to regulate the relationship between the two Germanys (Garton Ash 1993: 71-104). That the issue of reunification had been pushed to the periphery helped relax tensions at the centre of Europe. Neither superpower nor any European state 'wanted to run the risk of war on behalf of unifying a country which had been the cause of their suffering in wartime' (Kissinger 1994: 735).

It also, and perhaps most importantly from the US perspective, settled the issue of Berlin that had been an international crisis point numerous times during the Cold War. The US linked its acquiescence to Ostpolitik to a settlement of the status quo in Berlin and guaranteed access rights to the western zones of the city.²⁰ The Soviet Union was eager for Ostpolitik to proceed as it complemented their interest in cultivating as much settlement of, and legitimacy for, the status

¹⁹ Kissinger had advised Kennedy as early as 1961 that a shift in the direction of Ostpolitik could be beneficial to the US. Mayer (1994: 85) quotes Kissinger as saying that 'a gain in Socialist strength would be favorable for us in the long run'.

²⁰ West German political activities were curtailed in the western zones of the city and it was accepted that those zones were not technically part of West Germany, nor governed directly by Bonn. These concessions were certainly to the benefit of East Germany and the Soviet Union, and represented a willingness by West Germany and the US to deal with the issue pragmatically.

quo as possible. The Soviet Union's desire to see Ostpolitik develop led it to agree to these terms on Berlin, against the wishes of the East German leadership.²¹ This demonstrated that the same pattern of decision by the superpowers and accommodation by the European powers, which animated the West, also animated the East. As Judt (2005: 497-500) observes, Ostpolitik was essentially about responding to a European status quo that showed no sign of fraying. The only way that West Germany could challenge the status quo was to approach the Soviet Union with some variety of *détente*. The policy did not mean a dilution of West Germany's commitment to either European integration or the Atlantic alliance. It thus did have some inbuilt tensions but, for the most part, successive West German Chancellors managed to find the balance. DePorte (1986: 186) is correct to assess it as a 'realistic adjustment' to its national situation. But it was not one that challenged the status quo in the way that de Gaulle sought to. Rather it sought an accommodation with the status quo.

The formalisation of the status quo continued in December 1971 as NATO ministers met and agreed to participate in a pan-European Security Conference. Events moved quickly as thirty-five states convened a Conference on Security and Cooperation (CSCE) in Europe in July 1973. The Helsinki Accords had been signed by August 1975 (Garthoff 1985: 472-79). They entrenched the European status quo and set down in an international agreement that border alterations must be peaceful and accomplished through international law (Maresca 1983: 110-16; Garton Ash 1993: 223). Any notion that the CSCE could grow into something that might break NATO ties was quickly dispelled as 'no NATO country was waiting to substitute the declaratory and bureaucratic paraphernalia of a European Security Conference for the military reality of NATO or the presence of American military forces of the continent' (Kissinger 1994: 758). Ultimately Helsinki did little more than formalise a tolerable status

²¹ The desire by the Soviet Union for acceptance of the German-Poland border and recognition as a legitimate superpower was, in a sense, a sign of their weakness. It created a new status quo in which the possibility existed for West Germany to pull back from Ostpolitik. This in turn created an incentive for the Soviet Union not to adopt aggressive policies. The Hallstein Doctrine was always waiting in the wings as a very real alternative should Ostpolitik fail due to turbulence in Central and Eastern Europe.

quo and was part of the general move towards détente in the 1970s. The most significant impact was in Central and Eastern Europe where groups quickly emerged seeking to ensure the Soviet Union upheld the human rights components of the Helsinki Final Act.²²

Europe attempts political cooperation

Helsinki was notable, however, in that Western European states participated at the CSCE through the EEC and, specifically, the institution of European Political Cooperation (EPC).²³ By 1975 EPC had already been used by the members of the EEC to present collective positions at the UN, to develop collective positions towards key partners including the US, and to put in place regional political dialogues (Peterson et al. 2012: 292-94). While EPC did have some minor accomplishments it did nothing to alter the security structure of Western Europe. The institutional set-up of EPC reflected its toothless nature. Until the Single European Act of 1986 the EPC was outside of the EEC framework and was a purely intergovernmental forum at which EEC foreign ministers met to discuss policy.²⁴ It did not possess any supporting bureaucracy and decisions had to be unanimous. EPC emerged from the Hague Summit of 1969 and was approved through the Luxembourg Conference in 1970 on a very minimal basis (Hill and Smith 2000: 76). Minor institutional changes took place over subsequent years, including the creation of a small team of officials in 1981 (Hill and Smith 2000: 117). An EPC secretariat was established after the Single European Act, but there were no significant developments in terms of

²² Judt (2005: 502) remarked on this that, 'Brezhnev had been right to count upon Henry Kissinger and his hard-headed successors to take seriously the non-intervention clauses at Helsinki; but it had never occurred to him (nor indeed to Kissinger) that others might take no less seriously the more utopian paragraphs that followed ... Hoist by the petard of their own cynicism, Leonid Brezhnev and his colleagues had inadvertently opened a breach in their own defenses'.

²³ For comprehensive discussions of EPC see Nuttall (1992) and Pijpers et al. (1988).

²⁴ So ludicrous was the determination to keep EPC separate from the EEC that, as Dinan (2005: 143) recalls, in 1975 'foreign ministers met in the morning in Copenhagen to discuss foreign policy ... before flying to Brussels in the afternoon to discuss Community business'.

substantive policy. EPC failed to produce a common 'European' stance on such sensitive and proximate issues as the Soviet Union, Central Europe, the Mediterranean, or the issue of European defence. It was able to reach such common stances on more distant and peripheral issues such as the Iran-Iraq War and the Horn of Africa (see Gordon 1997/98: 84-5). Perhaps its one significant policy success was establishing a coordinated policy towards the Middle East (Marschall 1994). EPC forged the first statement of support in principle for a Palestinian homeland. The impact of EEC members adopting this stance altered the global political equation vis-à-vis Israel-Palestine and caused significant consternation in Washington.

The timing of EPC is, however, highly interesting from a realist perspective. Coinciding with the full emergence of Ostpolitik, there was a move by other Western European states to respond by drawing closer in discussions of foreign policy. De Gaulle's successor Pompidou 'was pathologically suspicious' of Ostpolitik and 'Brandt's motives ... Ostpolitik's growing momentum and Brandt's increasing international stature alarmed' him (Dinan 2005: 144). Sensing a possible alteration of the European balance, a tentative and very limited step – but a step nonetheless – was taken to draw West Germany closer into something 'European' in the foreign policy sphere. France wanted some loose framework through which they might keep a closer eye on Ostpolitik's development. But they did not want to move towards anything supranational in foreign policy. There was thus continuation of the Gaullist policy of unilateralism and the development of an independent French voice (Gordon 1993: 70-8). As Ostpolitik became increasingly accepted, French policymakers realised there was little in the policy to be concerned about. Following Brandt and Pompidou the relationship between their successors – Helmut Schmidt and Valéry Giscard d'Estaing – was considerably warmer.

There was little to compel Western European states to go beyond this very limited form of cooperation. NATO remained in place and, despite suggestions of a drawdown in the US commitment to European security, the Nixon administration remained committed to US control. Nixon and Kissinger both

saw Western Europe as a key component in their alliance against the Soviet Union despite their questioning of the US interest in an economically unified Western Europe (Lundestad 1997: 99-107). The reality of EPC, captured by Gordon (1997/98: 84), was that it grew out of 'recognition by European leaders that in the absence of a more integrated approach, regular meetings and discussions about foreign policy were better than nothing'. The diversity of interests was too great to allow for serious cooperation. In the absence of any reduction in US commitment, there was nothing compelling Western European states to work to overcome such diversity.

Reagan rattles the European cage

The relative stability that had been ushered in by Ostpolitik and the conclusion of the Helsinki Accords was disrupted by what is often termed the 'Second Cold War' of the 1980s (see Halliday 1983). There was a broad deterioration in East-West relations at the end of the 1970s as a result of the Soviet invasion of Afghanistan. Towards the end of the Carter administration the Soviets stationed new medium-range nuclear missiles (SS-20's) in Ukraine as 'a sign not only of the Soviet military's new technological confidence but of its determination to "Finlandize" all of Europe' (Calleo 2001: 125). In response, 'Germany and several other West European countries agreed to deploy new and highly accurate American Pershing II intermediate range missiles, a development that significantly degraded the Soviet Union's strategic position' (Calleo 2001: 125; see also Haslam 1989). This renewed belligerence by the Soviet Union threatened an alteration of the balance of nuclear forces in Europe and, unsurprisingly, in the search for security there was broad consensus among Western European leaders in support of the Pershing missiles. French president Mitterrand was particularly supportive of deployment and delivered an impassioned speech to the Bundestag emphasising the need for West German support of the move. Such advocacy further demonstrates the reliance of

Western Europe on the US to ensure that a balance was maintained, and that their security was preserved, against the Soviet Union.

The issue of further US nuclear deployments on Western European territory created a sharp division in the domestic politics of West Germany. Following the departure of Schmidt from the Chancellor's office and the return of the CDU under Helmut Kohl in 1982, the SPD shifted further towards neutrality and opposition to such deployments. This shift towards neutrality and a desire to oppose US missiles on West German territory had begun in the late 1970s as a result of the public airing of a debate about the neutron bomb and its possible deployment in West Germany. Schmidt had backed the US move to deploy the bomb in Western Europe against the sentiment of his party and, when the Carter administration decided to unilaterally cancel that deployment, Schmidt's coalition was left strained and his authority undermined (Spohr Readman 2010). But the incident spurred an effort by the Reagan administration to deploy intermediate-range missiles in Europe as a compensatory move. These missiles would also restore the balance against the SS-20s and were a central part of NATO's 'dual track' process in which 'NATO's decision to deploy new missiles had been accompanied by the offer of negotiations to reduce such weapons' (Judt 2005: 591).

The deployment of the intermediate-range missiles was highly political and represented yet another manifestation of the US credibility problem when it came to defending Western Europe. Doubts about America's willingness to retaliate with nuclear weapons against a Soviet attack on Western Europe were once again shaping events. The missiles were thus designed to close the credibility gap and reassure Western Europe by coupling its defence with that of the US. But the opposition in West Germany was fierce and a leading SPD figure, Oskar Lafontaine, called for West Germany to leave NATO's command structures. This move would have provoked a major crisis in the alliance and for the security of Western Europe, representing as it would the prospect of West German neutrality. The Soviets recognised the opportunity and tried to exert pressure on Kohl not to accept the Pershing missiles in an attempt to drag West

Germany closer to neutrality (Judt 2005: 591). The fear inspired by a neutral West Germany created convergence in French and US interests. Both wished to make sure that West Germany stayed committed to the Atlantic alliance and the NATO framework.

The diplomacy surrounding missiles in Europe during the 1980s revealed that parties in government, of whatever political persuasion, aligned out of necessity to ensure their security. Reagan's increase in defence expenditure, despite the 'dual-track' process, reflected an aggressive policy that was magnified by his later commitment to the Strategic Defence Initiative (SDI), a move that threatened to destroy the logic of nuclear deterrence altogether. The increase in military expenditure and the Soviet's attempt to keep pace was a contributory factor to the ultimate collapse of the Soviet Union, but it was only one factor among many (Mann 2009). While here is not the place to go into depth about the demise of that regime it is a fundamental bridging point because, as Soviet control began to loosen in Central and Eastern Europe, Western Europe was confronted with a huge problem: the prospect of a reunified Germany.

4. Conclusion

This chapter presented a classical realist analysis of the emergence and solidification of Protected Europe. It was this Europe that created the context, by denationalising security on the continent and supplying the public good of military security, that allowed Western European nation states to progress with economic cooperation, and the ultimate formation of an economic confederation. The emergence of Protected Europe can be understood as a product of the national interest, and power, of the US after 1945. The US commitment was prompted by the formulation of a national interest that stressed the need for security and stability in the region, to further the economic interests of the US. The NATO commitment and the stationing of 350,000 troops in Western Europe transformed the region into a highly policed

and protected environment. The injection of US military power and the security commitment it entailed was to be expected given the proclivity of predominant powers to expand their interests and seek control over their environment. As Leffler (1992: 17) points out, the national interest was to ensure that 'neither an integrated Europe nor a united Germany ... emerge as a third force or a neutral bloc'.

The use of US military power to create a protectorate had positive and negative consequences for Western Europe. It had the positive effect of ameliorating the security dilemma and creating a context in which states that had historically eyed each other with suspicion, and periodically fought wars, were able to focus on cooperative efforts in the realm of economics and thus contribute to the new US economic order. Similarly, by reducing the cost of security, the US helped to facilitate the reconstruction of Western Europe economically. The use of US military power in this way was therefore a boost to the economic power of Western European nation-states and those states' ability to re-establish their legitimacy in the postwar years.

The negative effect of this use of US power was to remove a significant amount of autonomy, in the military and security sphere, from Western European states. It also created a culture of security dependence in which Western European states largely became security consumers, as opposed to producers. The Western European system was thus pushed along the spectrum from anarchy to hierarchy and was, in a security sense, a highly artificial construct. Not all states were equally resigned to this dependency status. However, for those who were resistant, it proved impossible to overcome what has been termed the 'autonomy trap'. The trap is the product of the simple reality that, in order to secure autonomy from the US in the military and security sphere, Western European states had to concert together, promote a common interest, and thus sacrifice a degree of autonomy to a European construct. The trap proved to be inescapable during the Cold War, and the divisions created between resigned and resistant states had a feedback effect on US power, augmenting it further as

the US was able to use its dominant position to play Western European states off against each other.

The various attempts to challenge the status quo created periodic tensions but at no point was the logic of unity within Western Europe, necessary to amass sufficient power to challenge the status quo, able to dominate the logic of diversity. The result was an often tense but relatively stable status quo. It was a status quo founded on the power and interests of the principal actors.

CHAPTER 4

PROTECTED EUROPE SINCE 1989

The purpose of this chapter is to consider how Protected Europe has developed since 1989. The Cold War/Post-Cold War divide is an appropriate one as it represents the most seismic shift, since 1945, in both the global balance of power and the regional balance of power in Western Europe. Given the argument in this thesis that the European system since 1945 has developed in response to power shifts at both levels it is a suitable point of division. The global shift was the result of the collapse of the Soviet Union and the ushering in of a period in which the US was the sole superpower on the global stage. The regional shift was the result of the reunification of Germany and the retrenchment of Russian influence in Central and Eastern Europe.

The argument advanced in this chapter is that the post-Cold War era has seen a remarkable continuation of Protected Europe. The collapse of the bipolar framework over 1989-1991 might have been expected to trigger a withdrawal, by the US, from Western Europe. But the US national interest in ensuring stability in Europe was quickly reaffirmed. The US in fact extended its security guarantee and its military power into Central and Eastern Europe (Sarotte 2010). The same logic that motivated the US after World War II, namely a desire to ensure that open markets could emerge in stable and secure environments, motivated the US after the Cold War. It was perfectly in keeping with the realist logic of a will to power and desire to control the external environment. The same dynamic of military protection that had persisted during the Cold War was maintained in the post-Cold War era although now it was a derivative of a new balance of power system that was unipolar in nature.

However, these shifts in the balance of power did have an impact in Western Europe. Freed from the straightjacket that was the Cold War, in which they found it virtually impossible to come together and project a coherent policy, Western European states embarked on new initiatives in foreign and security policy following 1989. This chapter argues that the new environment was conducive to moves by Western Europe to secure autonomy and project power in the sphere of foreign and security policy, much as it had sought to do in economic affairs during the Cold War itself. The manifestations of this move – the Common Foreign and Security Policy (CFSP) and European Security and Defence Policy (ESDP) – were the result of this changed balance of power.

Specific events served to both catalyse Western European efforts on this front and also to shape the specific capabilities that were sought. Regional turbulence in the Balkans throughout the 1990s drew attention to both Western Europe's military inadequacies and the need to develop more flexible tools to deal with internal conflicts and the post-conflict stabilisation they required. While there have been significant developments in these areas this chapter argues that the same autonomy trap continues to operate. The altered logic of the global balance of power has mitigated that trap but has not removed it. Western European states remain unwilling to pool their capabilities in foreign and security policy, and thus sacrifice autonomy to 'Europe', which is the only way they might secure genuine autonomy within and project power into the global system. The narrative that Europe prefers to operate as a soft, or normative, power is a narrative that has been constructed *post hoc* and filtered back to disguise European states' inability to cooperate.

The second decade of the twenty-first century may well mark a pivotal moment for the development of Protected Europe; it may mark the point at which the US finally reassesses its grand strategy and affords less priority to its continuing protection of Europe (Layne 2012). The maintenance of international peace and security in the European neighbourhood may increasingly become the responsibility of the Europeans. The pivot to Asia, unveiled by the Obama administration over 2010-11, and Obama's decision to 'lead from behind' on the

2011 Libya campaign may well be signs of a European future in which the US plays a far less active role. Questions therefore remain about how Europe will respond to the decline and possibly dissolution of Protected Europe. Whether the response will be a renewed commitment to the trans-governmentalism of the renamed Common Security and Defence Policy (CSDP), or whether it will be a more conventional Anglo-French defence alliance remains to be seen.

The structure of the chapter is as follows. The first section considers the effective continuation of Protected Europe since 1989, tracing developments surrounding German reunification, the reaffirmation of US hegemony, and the crucial role played by NATO during the Balkans crises of the 1990s. The second section traces the development of European efforts through the CFSP and ESDP. The third section considers the shift in US outlook that has begun to emerge in 2010-11 and considers how European states might respond to the end of Protected Europe.

1. The continuation of protected Europe

The events of 1989-91 were seismic. The Berlin Wall came down on 9 November 1989 and the Soviet Union had broken up by the end of 1991. These were fundamental shifts in both the European system – a reunified Germany stood as a genuine potential regional hegemon – and the global system – the bipolar order that had crystallised in 1947 had been replaced by unipolarity and the US was the only superpower remaining. It was a moment at which it might have been conceivable for the US to have removed its security commitment from Europe (Mearsheimer 1990). Yet this did not happen. Instead the US engaged actively and pragmatically to manage the reunification of Germany and then re-emphasised its commitment to European security provision through NATO. The alliance has remained the central institution of European security in the post-Cold War era and has expanded far into the former Soviet sphere of influence. The continuation of NATO as a key alliance reference point has

ensured that the Europeanist-Atlanticist division continued to prevent Europe from overhauling the security structure and providing a distinctly European alternative. During the 1990s, in a series of crises in the Balkans, the US was shown to be vital to the security of Europe as the EU and its Member States showed an alarming inability to manage these crises.

Managing German reunification, reaffirming US hegemony

The late 1980s saw a relaxation of the Soviet Union's grip in Central and Eastern Europe. The regional system that had taken shape behind the Iron Curtain since the late 1940s started to break-up and this raised significant questions for both the US and Western Europe. The need to incorporate the states of Central and Eastern Europe into Western European structures was a longer-term project; the immediate challenge was how to handle the reunification of Germany. A reunified Germany threatened to destabilise the European security structure and presented the prospect of re-nationalised security and defence policies (Honig 1992: 122-38). From a US perspective the status quo had been tolerable and German reunification threatened that status quo (Bush and Scowcroft 1998: 188).

Zelikow and Rice (1995) have chronicled in painstaking detail the diplomacy and statecraft behind German reunification. During this process it became clear that the US national interest was in ensuring that a reunified Germany remained anchored to the West through NATO (Baker 1995: 273). Germany 'would continue to rely on NATO for protection ... The Germans would thus forego pursuit of a purely national defense, including the development of their own nuclear weapons' (Zelikow and Rice 1995: 169-70). US policymakers were forceful in making membership of NATO a prerequisite for reunification, a policy that had always remained in the long-term national interest of West Germany. Without US acquiescence it would have been virtually impossible to

secure reunification so rapidly given the trepidation of Mitterrand and Thatcher.

US security interests in Europe had always been about both Germany and the Soviet Union. With the Soviet sphere of influence crumbling the US was determined not to let 'the Soviets snatch victory from the jaws of defeat' (Bush and Scowcroft 1998: 253). This was the opportunity to end bipolarity and create the conditions under which NATO could be extended eastwards and the US could entrench its relative power gain. 'To ensure that NATO would maintain its dominant status', as Sarotte (2010: 113) puts it, 'its supporters would need to act quickly and decisively. The available evidence shows that they did'. Although the Cold War thankfully never turned hot between the superpowers the reality was that US goals 'could be achieved only if the Soviet Union suffered a reversal of fortunes not unlike a catastrophic defeat in a war' (Zelikow and Rice 1995: 197). West Germany was a major player in this process and Bonn and Washington pushed a coordinated strategy to ensure a Soviet withdrawal from Central and Eastern Europe and a NATO extension of influence. West Germany's focus on reunification as its top priority, its commitment to the Atlantic security framework, and its deep pockets¹ helped facilitate this strategy (Sarotte 2010: 121-30). A reunified Germany's membership of NATO was not to be compromised for any reason. Germany had very little latitude if it wished to secure its long held national interest in reunification but there is little evidence to suggest that it would have used such latitude even it had possessed it.

There were, of course, alternatives. In a widely cited work of the time (Ullman 1991) a pan-European security structure was suggested.² The US showed no

¹ West Germany paid considerable sums to facilitate the Soviet 'exit' from Central and Eastern Europe. Sarotte (2010: 135) dubs this 'bribing the Soviets out' and observes, correctly, that West Germany possessed 'the ability and the willingness to pay the Soviet Union when Washington did not'.

² West German Foreign Minister, Hans-Dietrich Genscher (1998: 362-64, 460-62) was in favour of such a pan-European security organisation that would have represented a significant transformation in security structure of Europe. But on this issue his voice did not carry within Bonn's policymaking circles. The CSCE was seen as the obvious vehicle for this (Kupchan and Kupchan 1991) but the US was not interested in moving in this direction. Realists expressed doubts about the ability to such a large organisation to provide any form of credible collective

interest in this and James Baker expressed the view that the CSCE 'was not the appropriate place for determining Germany's future or managing Soviet concerns' (Zelikow and Rice 1995: 177). The US had emerged victorious in the Cold War struggle and, with the balance of power tipped decisively in their favour, successive US policymakers pursued policies that favoured the US national interest. That interest was in maintaining, and extending, control over European security. Diluting that control through the CSCE was to be avoided. The French, keen as ever to create space to pursue their own interests and enhance their own power in the security architecture, championed the CSCE as an alternative path (Bozo 2009). But with the US and West Germany backing the same NATO-first policy, France had little hope of success; its interest was simply dwarfed by the combined weight of US-West German power and influence.

Pursuing the NATO strategy did have opportunity costs in terms of the US-Russia relationship (Brown 1999: 204-18) and, as Calleo (2001: 314) observed, it 'greatly reduced the West's capacity to manage Europe's more immediate security problems, for which Russian cooperation was hard to dispense with'. Brzezinski (2007: 82) drew a stark contrast between 'the burst of global architectural innovation' in the post-World War II era, and the lack of any grand vision over 1989-91. Bush's 'promising call for a new world order' had turned 'into a reassertion of the more familiar old imperial order' (Brzezinski 2007: 82). US hegemony had been reasserted and the continuing management of European security had been identified as a national interest (Art 1996).³ At the start of the 1990s NATO was the only viable European security institution (Glaser 1993; Van Evera 1990/91).

security (see Glaser 1993; Joffe 1992). The CSCE became the Organisation for Security and Cooperation in Europe (OSCE) in 1995 and its primary focus on issues such as election monitoring, the transition of Central and Eastern Europe states, human rights, and press freedoms was far removed from the focus of NATO.

³ Both Van Evera and Art stressed the perceived need, by US policymakers, to prevent any re-nationalisation of security and defence policy in Europe (see also Honig 1992). The opportunity to spread US economic preferences into Central and Eastern Europe went hand-in-hand with the desire to extend the reach of NATO and US control over continental security.

NATO was eventually expanded far beyond the territory of the former East Germany. There was now no countervailing Soviet power to prevent this expansion and NATO enlarged three times in 1999, 2004, and 2009.⁴ The push for NATO enlargement, in the face of staunch Russian opposition, was a sign of US assertiveness. In the early post-Cold War years the US trod cautiously in the former Soviet sphere of influence despite numerous association agreements being offered, along with the Partnership for Peace involving Russia. This began to change over 1993-96 and the Clinton administration made overtures to Poland. As Calleo (2001: 311) notes NATO enlargement was 'designed to reduce Russia's influence in regions where it had been predominant since the eighteenth century ... Like EU expansion, it was a policy with wide if superficial appeal'. France and Germany were both broadly supportive of enlargement (Pond 1999: 65-9; Boniface 1998).

These moves were, in a sense, a reversal of the US commitment to respect Russia's sphere, a commitment made at the time of German reunification (Szabo 1992: ch. 7).⁵ Russia was not happy and the repeated assurances did little to mitigate this (Black 2000; Brown 1999). In addition to geographical expansion, NATO expanded substantively in terms of the type of military operations it would undertake, a process termed 'double enlargement' (Asmus 1997). There

⁴ The 1999 enlargement took in the Czech Republic, Hungary, and Poland; the 2004 enlargement took in Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia; and the most recent enlargement of 2009 took in Albania and Croatia. As of December 2011 there were four officially designated 'aspirant' members: the Former Yugoslav Republic of Macedonia, Montenegro, Bosnia and Herzegovina, and Georgia. See NATO, 'Final statement: meeting of the North Atlantic Council at the level of Foreign Ministers held at NATO Headquarters, Brussels, on 7 December 2011', Press Release (2011) 145, available at http://www.nato.int/cps/en/natolive/official_texts_81943.htm?mode=pressrelease. Of those four aspirant countries all except Georgia have Membership Action Plans that are programmes of advice, assistance, and practical support for states wishing to join NATO. But there can be backsliding as in the case of Ukraine whose parliament 'approved a bill barring the country from joining NATO, a move seen as a further concession to Moscow' on 3 June 2010, see Valentina Pop, 'Ukraine drops NATO membership bid', *EU Observer*, 4 June 2010, available at <http://euobserver.com/13/30212>, accessed 15 June 2012.

⁵ It remains doubtful that the US was ever genuine about incorporating Russia into new or existing security institutions. Public rhetoric aside Sarotte (2010: 135-36) argues very persuasively and with strong empirical evidence that 'the goal was to get the Soviets out. Bush made clear ... how he felt about the idea of the West compromising over NATO: "To hell with that! We prevailed" ... Baker consistently advised the president that there was little reason to help the Soviet Union solve its own problems'.

was a serious drive by the Clinton administration to keep NATO relevant to European security (Asmus 2002: 118-19, 124-25). It was a manifestation of the realist logic of control and power projection.

European doubts about US commitments

Despite the reaffirming of a commitment to European security by the US, policymakers in Europe were sceptical. The early 1990s did witness a significant drawing down of US troop presence with EUCOM declining from 326,000 personnel in 1989 to less than 200,000 in 1993. The decline continued for the rest of the decade with only 100,000 personnel remaining in 2000. This further stoked doubts in Europe about the future of Protected Europe. Zelikow and Rice (1995: 206) detail a US National Security Council memorandum of February 1990 in which concern was raised at the French belief 'that the US will rapidly withdraw its forces from Europe'. The perception in Washington was that France was 'thinking, and at times acting, as if we were already gone'. The UK and Germany were also doubtful. The key Western European powers thus agreed to strengthen the EPC mechanisms that had developed through the 1970s and 1980s.

The move to solidify the EPC structures occurred quickly following the end of the Cold War, a reflection of European (especially French) fears that a US withdrawal might leave Germany in a position of regional hegemony. A binding logic quickly emerged within Western Europe: the French would attempt to bind Germany more tightly into European structures to prevent it being able to exert too great a degree of autonomy. The logic was one of embracing your opponent so that they cannot pull back far enough to land a punch. If a French desire to bind in Germany was one half of the equation, the other half was German willingness to be bound. This pattern had become a socialised norm, a standard operating procedure, in the economic realm in postwar Europe. The presence of a US security guarantee and Western Europe's status as a military

protectorate had rendered a binding strategy unnecessary, in the military and defence sphere, during the Cold War. West Germany, as it then was, was bound in an Atlantic framework. Now the concern was that the Atlantic framework would loosen and Germany would be unshackled.⁶

During the first months of 1990 Kohl and Mitterrand, well aware of the unfolding dynamics, combined to urge the European Council (the body bringing together the heads of government of all members of the EEC) to prepare a conference on political union that would strengthen the rather weak EPC (Corbett 1993: 126). In December 1990 EEC member states convened parallel conferences on Economic and Monetary Union (EMU) and political union. A year later, at Maastricht, a new Treaty on European Union was signed and subsequently ratified. Contained within this new EU was the CFSP, the second pillar in a three-pillar structure.⁷

Germany emerged as one of the principal supporters of a strengthened form of foreign and security policy cooperation. During the various summits and negotiations about reunification France had issued none-too-subtle threats about the potential balancing coalitions that would form should a reunified Germany refuse to bind itself into European structures (Marsh 2011: 140-48). West German foreign minister Genscher (1998: 308) recognised that 'those counterweights would not be necessary if European integration was progressing' towards foreign and security policy cooperation. Working towards political union through Maastricht, and supporting the development of CFSP, was a way to signal to her neighbours that Germany remained a status quo power, prepared to bind herself into Europe out of a sense of her own national interest (Elbe and Kiessler 1996: 206). The drive toward CFSP was therefore an understanding between France and Germany, forged through the closeness of

⁶ Given the relative weakness that characterised CSDP during the early 1990s there is certainly something in Nuttall's (2000: 271) observation that 'to Paris and Bonn, the CFSP was more important as symbol than as substance'.

⁷ The first pillar was the European Community (centred on the single market, the emerging EMU, and various other common policies) and the third pillar was cooperation in Justice and Home Affairs.

foreign ministers Dumas and Genscher (Mazzucelli 1997: 138⁸), to manage the security structure of Western Europe in such a way as to ameliorate any tensions or turbulence.

CFSP, as enshrined in Maastricht, was certainly stronger than EPC but it was not part of Confederal Europe. Although all of the Maastricht pillars were subsumed within the new EU, Confederal Europe, in the form of the EEC, continued to exist quite distinctly as the first pillar.⁹ The second pillar remains separate and although often described as intergovernmental – a reflection of the dominant parlance in EU studies – is more accurately captured by the term intensive trans-governmentalism (H. Wallace 2005: 87-88). The decision to enshrine a CFSP within a treaty such as Maastricht was something beyond mere intergovernmental cooperation and the subsequent strengthening of the CFSP and its institutional architecture reflects this.¹⁰ However, that member states were not prepared to confederalise foreign and security policy is telling. It reflects the reality, recognised by Dinan (2005: 253), of a group of states with ‘markedly different foreign policy interests, orientations, and traditions. The most that they could aspire to achieve was a high degree of coordination’.

Crucially CFSP did not have a military component. The diverging preferences of an Atlanticist UK and a Europeanist France thwarted any significant advancement on this front. In the light of Western Europe’s failure to collectively contribute to the first Gulf War, beyond imposing sanctions and issuing a condemnation, there was a general sense that something should be done to enhance Europe’s autonomy and power projection capacity in the

⁸ The two foreign ministers authored a series of papers that set out the vital importance of developing a CFSP and even looking forward to the development of a military component of the EU.

⁹ The Treaty of Lisbon abolished the pillar structure but the distinctions between policy areas that are largely supranational and policy areas that remain heavily intergovernmental remains.

¹⁰ A considerable development was that CFSP upgraded the formerly *political* commitments taken under EPC into *legal* commitments under CFSP. They could take the form of common positions, joint actions, or common strategies. These spanned a range of initiatives with common positions being fairly limited and requiring coordinated actions at national level and joint actions involving more active policies through the EU itself. See Keukeleire and MacNaughton (2008: 154-59).

military sphere (Salmon 1992). But once discussion moved to specifics the logic of diversity kicked in thus preserving US military dominance in Europe. Germany, keen to appease the French but also not to undermine NATO, was once again caught in a tricky middle ground (Art 1996). In the military sphere French efforts to bind in Germany took the form of the 'Eurocorps' but this was limited in scope and had no significant impact on the security structure of Western Europe. The logic of diversity saw the UK and France unable to agree on how proceed. Without support the French were unable to seriously challenge the existing security structure and their plans to develop independent European capabilities, either through the WEU or the Eurocorps, came to very little.

The US did not remain neutral on the issue. The Bush administration was eager to ensure that NATO primacy was not undercut and palpably cool towards any developments that would represent a challenge to that primacy. The continuity with the Cold War years was striking. In February 1991 the so-called Dobbins demarche was issued by the US Department of State telling European states that any development of the WEU in a way that was detached from NATO would not be accepted (Cornish 1996: 755; Vanhoonacker 2001: 106-08). Bush himself told the Europeans that if their 'ultimate aim' was 'to provide independently for your own defence, the time to tell us is today' (quoted in Schoenbaum and Pond 1996: 196). This was almost certainly a bluff given that US grand strategy had not altered and control of the European security environment through NATO remained central to that. But it was an effective bluff that exacerbated existing divisions amongst the Europeans. That it could be issued and that it worked to such effect is reflective of the asymmetry of power on the two sides of the Atlantic.

By the mid-1990s there was clear outcome: a European Defence Identity would be developed but it would sit within the NATO framework and not represent a serious challenge to US control or power. This represented US acceptance of a European pillar within NATO, but no more than that. On the military front developments over 1991-98 amounted to little more than the EU dipping its toes in the water. The 'development of a European defence identity remained

moribund between the failure of the [EDC] ... in 1954 and Saint Malo in 1998' (D'Argenson 2009: 144).

Not the hour of Europe

What prompted more concerted European efforts in foreign and security policy was its weak and incapable response to turbulence in the EU's near abroad throughout the 1990s. The disintegration of Yugoslavia after the Cold War created an immediate problem for Western European states before they had even managed to draft, let alone ratify, the Maastricht Treaty. With the European Council presidency declaring it to be 'the hour of Europe' the expectations had been raised far beyond the capabilities available to the confederation (Hill 1993). Initially the EEC, working through its EPC mechanism, was able to play a substantive role on the diplomatic front (Ginsberg 2001: 57-104) but as the situation in Croatia quickly spiralled out of control the EEC's lack of military capacity became a serious obstacle to success. Economic sanctions and softer forms of diplomatic power were not sufficient to bring the crisis under control (Smith 1997: 284). The EEC members divided over the issue of recognising Croatia and it was the newly reunified Germany that first offered such recognition and worked to get others to do likewise. In parallel to this the member states agreed at Maastricht to revisit the provisions of the CFSP in five years, and they did so with the Treaty of Amsterdam. But the turbulence on Europe's periphery would not wait for the next intergovernmental conference (IGC).

The UK and France, the dominant European military powers, did act and by August 1992 '6,000 foreign troops were in Yugoslavia' but the intervention 'appeared painfully inept, mainly because Europeans were unwilling to establish the military ascendancy necessary to catalyze a diplomatic breakthrough' (Calleo 2001: 305). There was no coherent strategy on the part of the Europeans and little willingness to commit the necessary blood and treasure

to force a settlement. Robert Cooper, an astute observer and participant, has suggested that the Europeans played more of a role in Bosnia than historical mythology has afforded them.¹¹ Competing accounts from US and UK perspectives (Holbrooke 1998; Owen 1995; Ignatieff 1996: 8-10) do not help clarify matters. The Vance-Owen Plan, put forward by Europe in February 1993, was somewhat undercut by the US who saw it as undue reward for Serbian aggression. The Dayton Accords, brokered by Holbrooke and the US, were not significantly different in substance from Vance-Owen (see Owen 1995: 89-149; Holbrooke 1998: 229-322) but they were backed up by significantly more military power.

What Bosnia revealed, beyond the competing historical interpretations, was the interconnectedness between military power and diplomatic power. When NATO entered the fray 'they used impressive air strikes on the reluctant Serbs. These, together with sustained artillery pounding by an Anglo-French Rapid Reaction Corps, helped create a sense of overwhelming military dominance'. This was in stark contrast to the previous European/UN effort that 'never made an impressive display of power' (Calleo 2001: 308). The effective use of power involved the use of diplomacy and harder forms of power hand-in-hand. The reassertion of US control in the mid-1990s derailed French overtures at rejoining NATO's military command structures (Pond 1999: 83; Marcus 1998) and further solidified at least the perception of European dependence.

The US once again took the lead in dealing with a security challenge in the Balkans in 1999. This time the issue was in Kosovo. The US was, once again,

¹¹ Robert Cooper, a senior foreign policy adviser and strategist to the UK Government during the 1990s and to the EU's External Action Service since 2010, sees a degree of historical mythology in the retelling of the Bosnia episode. Cooper commented that 'the historical mythology is that everything was going badly until NATO arrived and put some muscle into it. What actually put some muscle into it was the British and French—and a little bit of Dutch—rapid reaction force in Bosnia ... the people who really did the damage were the British and French artillery grouped together under the UN flag, which is never really appreciated because the person who wrote the history mainly was Richard Holbrooke, who was looking at it from an American point of view' (House of Lords 2011: 90).

slow and somewhat reluctant to become involved (Clark 2001: 46-49¹²; Daalder and O'Hanlon 2000: 53-57, 96-100) and when it did commit it was through an air campaign with no ground forces. US control was firmly exerted in Operation Allied Force and it revealed, once again, the inadequacies of European capabilities. Thorough reports by the UK parliament argued that Kosovo 'demonstrated just how far the European NATO nations are from having a capability to act without massive US support' (House of Commons 2000: Para. 313). Beyond demonstrating dependency on the US both Bosnia and Kosovo were executed in an environment in which US strategic interests seemed to be shifting away from Europe and towards other areas, principally the Gulf and Northeast Asia (Department of Defense 1997, 2001). There was a genuine fear that any subsequent and similar turbulence on the European periphery would not be seen, from Washington, as a threat to the US national interest. The Europeans were concerned that they might find themselves on their own and incapable of responding.

The interoperability of US and European forces was also revealed, through these operations, to be severely lacking (Peters et al. 2001). It raised deep and severe questions about the impact of Protected Europe on the continent's preparedness to handle significant security threats that required military solutions. It also raised questions about the deployment and operational capacity of the military forces of EU member states. These concerns – but primarily those about dependence and incapacity – prompted the UK and France to lead an effort to develop EU military capabilities at the St Malo summit of December 1998 (see Howorth 2000, 2001).¹³ The events of the 1990s in the Balkans revealed the ongoing logic that, despite the end of the Cold War, Europe possessed little

¹² Wesley Clark (2001: 165), the commanding General for Operation Allied Force, writes that 'the [US military] services were against any commitment ... because it wasn't in our "national interest." And any use of forces there [in Kosovo] would be bad for "readiness," which to them meant only readiness for the two Major Regional Contingencies'. Those contingencies were not European but were focused on the Gulf and Northeast Asia.

¹³ Robert Cooper summed it up: 'this was a moment when Europe suddenly realised that there might be military contingencies in which it wanted to be involved but in which NATO was not engaged. It was on that basis that the idea of the ESDP started' (House of Lords 2011: 90).

autonomy from the US in the military and security sphere and little capacity for power projection (Asmus 2002: xxiv).

2. Developing CFSP and ESDP

The events of the 1990s triggered a renewed effort by EU Member States to strengthen the CFSP and to launch the ESDP. Despite the argument of some high-profile neorealists (see Art 2004; Walt 2005; Posen 2006) these moves were not about balancing the power of the US (Howorth and Menon 2009). It was about autonomy and power projection capacity in a much changed global environment. Calling the CFSP and ESDP 'successful' is a stretch. The reason for their decidedly mixed record is that a set of countervailing pressures, set out at the beginning of chapter 4, continue to operate. Gaining autonomy and power projection capabilities globally involves overcoming the intra-EU logic of diversity and sacrificing some autonomy to the EU. The logic of diversity and the autonomy trap have proven, to date, to be quite intractable. The development of more robust institutional architecture has not, except perhaps at the margins, forged common interests and outlooks for the CFSP. The ESDP, developed largely in response to the conflicts of the 1990s, has equally failed to alter the structure of security and military power within Europe. Its missions have met with varying success but internal divisions, once again oriented around Atlanticism vs. Europeanism have frustrated its development.

Attempting to strengthen the CFSP

The CFSP was weak in its Maastricht guise. From 1994-97 the EU focused more on developing external policies towards the near abroad using the trade and commercial tools of the EEC. This was an attempt by EU Member States to leverage their considerable external economic power in pursuit of a broader

foreign policy agenda (Keukeleire and MacNaughton 2008: 52-54). But CFSP was placed back on the agenda at the time of the Treaty of Amsterdam (Monar 1997). The most significant institutional developments included the creation of a post of High Representative of the CFSP who was also to serve as Secretary-General of the Council. The High Representative was to be supported by a few new entities including a Planning and Early Warning Unit. Ultimately these were very limited institutional changes and Allen (1998: 54-55) was right to note that it kept the CFSP under the control of the Member States. On the military front the Petersberg Tasks – a set of military priorities agreed to by the WEU Council in 1992 – were adopted by the EU and the ties between the EU and the WEU were to be strengthened.¹⁴ This was not a move towards creating a political confederation with a distinctive foreign and security policy and it was not a move that presaged a serious challenge to the existing security structure.

Reforms to the architecture have continued with the most recent Lisbon Treaty. The High Representative was made a Commissioner and thus straddled the European Commission and the European Council structures. A new, strengthened European External Action Service (EEAS) was constructed, designed to be a fully functional EU diplomatic service (Allen and Smith 2011: 210-15). Without doubt these institutional developments have been significant but they have produced much less in substance than they have cosmetically. With Protected Europe firmly embedded by the late 1990s the binding logic that had motivated the first moves towards CFSP had receded into the background. Coming to the fore were the desires of EU Member States to project their interests into the global system and to launch foreign policy initiatives independently of the US. These are both understandable through realist logic but, of course, they rest on the ability of EU Member States to identify common interests that can be projected.

The record in this latter respect is somewhat limited. In these areas of high politics the logic of diversity is dominant. The very presence of the US as such a

¹⁴ Ultimately the EU-WEU developments were quickly overtaken in 1998-99 by the development of the ESDP, discussed below.

weighty external actor cultivates that logic of diversity as other states orient their foreign policies in relation to it. Furthermore, it can be used by the US as part of a divide-and-rule strategy. There have been numerous examples of this dynamic. Perhaps the most important was the response to the US decision to invade Iraq in 2003. As Majone (2009: 231-32) put it Iraq

revealed the existence of a serious cleavage separating the majority of member states which supported Washington's initiative – a group including the UK, Spain, Italy, Portugal, and all the new EU members from Central and Eastern Europe – from the governments of France, Germany, and Belgium, which made active efforts to oppose it.

With the UK supporting the decision, and France and Germany opposed, the logic of diversity was overwhelming and it was crippling (Van Ham 2004). Numerous in-depth studies (Peterson and Pollack 2003; Shapiro and Gordon 2004; McGuire and Smith 2008) demonstrated how, when the US applies pressure to EU Member States, the CFSP system has a tendency to buckle. The EU was equally incapable of reaching a common foreign policy position on the declaration of independence by Kosovo in 2008. The hoped for common strategies failed to materialise, with only three being adopted before Solana (2000) – the High Representative at the time – published a highly critical report on them.¹⁵ Even the narrower common positions and joint actions failed to work as intended. It is important to remember that power in the realm of CFSP rests with the Member States, and the most powerful ones at that, and much of it is developed and conducted informally as opposed to through legal mechanisms. While the Treaty of Lisbon has simplified the legal output of CFSP (Piris 2010: 256-65) – now there are simply 'decisions' – the dynamic of Member State predominance remains firmly in place.

When CFSP works, and there are successes, it is often because there is a convergence in the interests of the most powerful Member States. The divisions over Iraq, for example, triggered an effort to draft a European Security Strategy

¹⁵ Those adopted focused on the EU's relations with Ukraine, Russia, and the Mediterranean.

(ESS). Published in 2003, with a report on its implementation in 2008, the ESS was in part a response to the provocative 2002 National Security Strategy of the US (European Council 2003, 2008). It was a way of demonstrating some degree of coherence among EU Member States following Iraq and it set out a clear set of strategic objectives.¹⁶ It was also a way for the EU to project an identity and a set of values that were distinct from the US under George W. Bush. While some have conceptualised these efforts as an example of the EU's normative power they can just as easily be interpreted as the only viable strategy for a Union almost totally lacking in material forms of power. The most powerful EU Member States have also been able to project a coherent policy and interest vis-à-vis the Iranian nuclear programme (Dryburgh 2008).¹⁷ The point is this: CFSP can work on occasion, and it is becoming more institutionalised, but it remains a fragile policy that can only proceed when interests are convergent (Menon 2011a: 77-79).

CFSP has largely relied on what Keukeliere and MacNaughtan (2008: 163-64) call 'a declaratory foreign policy' and there is certainly a regular stream of declarations, demarches, reports, and political dialogue meetings emanating from Brussels. Issues that become contentious are, however, easily removed from the agenda. The EU continues to punch below its potential weight in the area of CFSP (Thomas 2012) and 'will itself continue its evolution as a small power, existing alongside the national presence of individual Member States' (Toje 2012: 57).¹⁸

¹⁶ Five specific threats outlined were terrorism, weapons of mass destruction, failed states, organised crime, and regional conflicts. The ESS also committed to building security in the EU's neighbourhood and to establishing an international order based on multilateralism.

¹⁷ Sauer (2008) has argued that the EU's failure to convince Iran to suspend its enrichment is a reflection of its lack of power. This seems highly unfair given the collective failure of the international community to resolve the tensions with Iran. That the EU was able to hold a consistent line since 2003 is testament to its ability to act as a channel for convergent national interests. Dryburgh's assessment thus seems more balanced.

¹⁸ The concept of small power has a sporadic history in international relations theory. Toje (2012: 46-48) captures its essence: 'Small powers carve out a niche by displaying a narrow and specific range of foreign policy behavioural patterns ... The strategic behaviour of small powers is characterized by dependence ... variable geometry. In terms of military capabilities there is no ability to project power on a global scale ... Small powers are the primary beneficiaries of

ESDP: long-term policy or a decade-long experiment?

Alongside the CFSP, the EU launched the ESDP in December 1998 at St. Malo. The decision, taken by France and the UK, got around the difficulties and complications of forging cooperation between the EU and the WEU.¹⁹ There was, amongst UK and French policymakers, a belief that the EU needed the capacity to respond to international crises following the debacles of the 1990s (Rutten 2001: 8). While France had a longstanding commitment to the development of some form of autonomous European defence capacity the shift in UK attitudes was more surprising and significant (Hunter 2002: 29-32; Andreani et al. 2001: 8-11). During the Cold War it was the UK more than any other state that refused to countenance a military role for the EEC. It opted for a staunch Atlanticism in which anything that challenged the remit of NATO was to be rejected. During 1998 however, in response Europe's inability to respond to crises in the Balkans, cooperation between the relevant ministries in London and Paris created the momentum for a breakthrough at St Malo (Howorth 2004).

This was not a 'road to Damascus conversion' on the part of the UK. ESDP was accepted on a very conditional basis. A set of specific tasks for the ESDP were outlined. Drawing on the Petersberg Tasks, ESDP would focus primarily on low-end military tasks such as peacekeeping and humanitarian interventions (Howorth 2007: 103), that were of little threat to NATO. A follow-up summit at Cologne, in June 1999, made it clear that it was a capability to act when NATO had decided not to (Sloan 2005: 190-93). Indeed the 'original bargain in 1998' was 'from the French point of view ... attractive because it would imply greater European autonomy vis-à-vis the United States', and 'from the British perspective' it would lead to 'a more capable Europe [that] would be a more

international institutions and are, by necessity, "lovers of the law" ... [And] small powers are defensive by nature'.

¹⁹ Despite agreement to disband the WEU in 1998 it did not become defunct until 2011. In 2010 a one page statement (WEU 2010) signalled the intention of its members to terminate the treaty.

attractive partner for the United States' (Giegerich and Nicoll 2011: 64-65). The new wars (Kaldor 1998: 31-6) of the 1990s fostered the belief in the need for lower-end military capabilities and that these would be a major requirement of ESDP operations (Rasmussen 2002: 51-53; Hagman 2002: 35-59). The threat was no longer that of Russia and, if it was, then the Article V provision of NATO remained in place.

The Atlanticist-Europeanist divide had not been closed, but it had been bridged tentatively, allowing the UK and France to commit to some military component for the EU. The structures of Protected Europe were less constraining in this new context. The conflicting ties between European states and the US had been loosened but not severed. The end of the Cold War eased the pressure-cooker environment in Europe and allowed for some minimal degree of convergence between the UK and France. Their positions were pushed still closer by the events of the 1990s. Thus, ESDP was fudged in its attempt to be all things to all states. The French were continuing the old Gaullist vision of using the EU as a tool to amplify their power and influence on the global stage. The UK was prepared to countenance something autonomous so long as there was a clear demarcation between ESDP and NATO.²⁰ The slight convergence between the positions was what made ESDP viable but also what accounted for its rather ad-hoc, piecemeal, and at times ineffectual nature.

In the early stages of the ESDP it was agreed that the EU could borrow NATO assets and have access to NATO's planning centre, SHAPE.²¹ The pragmatism of this arrangement masked the reality that it was a mechanism of US control over ESDP developments. The US was clear, as it had been during the Cold War, that European security cooperation would be accepted but that such acceptance was 'conditional on the Europeans not crossing a very clear red line, ruling out

²⁰ The US was also keen to impress this point. Madeleine Albright, then US Secretary of State, made clear that ESDP should not involve any duplication of, discrimination of, or decoupling from NATO (Rutten 2001: 10-12).

²¹ Berlin Plus had been long in gestation and was first discussed in a serious way at a NATO summit in 1996, developed at the NATO summit in 1999, and formalised finally in December 2002.

anything that might encourage the autonomy and, above all, the strategic independence of the Union' (Gnesotto 2004: 24). It also became an argument that could be invoked by the UK against the development of any significant EU military capabilities and especially against the establishment of an EU Operational Headquarters.

Despite this a commitment was made at the Helsinki European Council in December 1999 to build a European Rapid Reaction Force (RRF) of 60,000 troops, deployable within 60 days, and sustainable in the field for up to a year. This was an impressive marker and the intention was that the RRF would be supported by necessary logistical capacity and would be targeted at low intensity operations (European Council 1999; IISS 2001: 283-91). The targets were missed however and by 2004 the RRF idea was quietly shelved and replaced by the Headline Goal 2010 (HG-2010). This committed the EU to being able to 'respond with rapid and decisive action applying a fully coherent approach to the whole spectrum of crisis-management operations' (European Council 2004). It was HG-2010 that introduced the concept of EU battle groups. These are small units of around 2,000 troops that might be drawn from a single state or could be multinational (European Council 2007).

Lindstrom (2007) summarised this shift as being from quantity to quality. It might equally be summarised as being from unrealistic to realistic. That being said, no battle group has yet been deployed although they have been on standby since 2007 and are under the control of the European Council. At least the targets for HG-2010 were met, unlike those of the RRF. The battle groups have been available for several ESDP missions – notably the deployment to the Democratic Republic of Congo in 2006 and to Lebanon in 2006 – but were not used (Lindstrom 2007: 57-61; Balossi-Restelli 2011). As Chappell (2009) has demonstrated there remain differences in strategic culture between states that are partnering to create battle groups thus frustrating their ability to be deployed.

The logic of diversity also prevents agreement on when to deploy ESDP operations (Henrion 2010). Despite this there has been a steady stream of military, civilian, and civilian-military ESDP missions since 2003 (figure 4.1). It is beyond the scope of this thesis to detail all of the operations launched.²² The pattern of ESDP missions further reveals that the project is not about challenging NATO. The majority of the operations to date are civilian²³ in nature and concerned with policing, rule of law, border assistance, and security sector reform more broadly. On the military side there have been some notable operations.



Figure 4.1. ESDP Missions and Operations, as of 1 June 2012.²⁴

²² The single best empirical assessment of the deployments to date is an EU-ISS report that considers the 21 most significant missions. See Grevi et al. (2009).

²³ Only eight of the twenty-four ESDP missions to date are military. Seven of those operations were purely military with a further one a civilian-military assistance mission to support the African Union's deployment to Sudan/Darfur (Support to AMIS II).

²⁴ Source: European External Action Service. Available at <http://www.consilium.europa.eu/eeas/security-defence/eu-operations/euavsec-south-sudan?lang=en>, accessed 16 June 2012.

The most impressive was a 7,000-strong peacekeeping force deployed to Bosnia-Herzegovina in 2004. This has since been reduced to less than 2,000 but it was a major deployment under the Berlin Plus agreement and it replaced a large-scale NATO operation. Operation ARTEMIS saw 1,700 troops deployed autonomously to the Democratic Republic of Congo for stabilisation and humanitarian assistance in 2003. This involved serious military engagement with insurgent forces in a difficult environment (Ulriksen 2004). The Congo has become a 'laboratory for EU crisis management' (Fioramonti 2012: 6) and while it remains too early to evaluate operations definitively there have been achievements. More recently the EU successfully deployed 3,700 troops to Chad and the Central African Republic, and launched its first maritime operation off the coast of Somalia. Those who would dismiss ESDP out of hand as strategically irrelevant are overlooking its successes to date.

ESDP is well understood through realist logic. The power of France and the UK drove the policy in the early years and the motivating factors were a desire to act autonomously from the US and to project power especially in the EU's near abroad.²⁵ The UK and France remain important states with global aspirations and such states, as Posen (2004: 9) puts it, 'will at a minimum act to buffer themselves against the caprices of the US and will try to carve out an ability to act autonomously, should it become necessary'. The combined impact of Europe's poor performance in Bosnia and Kosovo and a sense that US strategic interests were shifting made it necessary. It was an attempt to augment the Member States' ability to control their environment. The crucial difference is that, in the area of security and defence policy, there has been no similar willingness to actually confederate. It has failed to work as intended because of the inability to escape the autonomy trap and overcome the logic of diversity within the EU.²⁶

²⁵ This is a very similar logic to that which drove European states to confederate economically.

²⁶ We are thus returned to Hill's (1993) capabilities-expectations gap. By committing to an ESDP on paper and in declarations the EU Member States amp up expectations, and by retaining intergovernmental control and refusing to genuinely pool capabilities they are not boosting capabilities to a corresponding degree.

3. Whither Protected Europe?

Events within the global system may provide an exogenous shock to the European system, a shock sufficient to overcome the logic of diversity and make leading EU Member States appreciate the need to escape the autonomy trap. That exogenous shock is the potential withering of Protected Europe. There are signs of this withering. As of 2011-12 the US appears to be reassessing its national interest at the level of grand strategy. This reassessment does not presage a withdrawal of its commitment to European security in its entirety but it does herald a turning point at which the US is increasingly expectant that European states will assume a greater share of the burden of their own defence. The fragmented efforts, to date, at a CFSP and ESDP will not be sufficient to fill the vacuum left by any drawing down of the US commitment. The potential withering of Protected Europe raises significant and fundamental questions for European states. Will they finally take the necessary steps to rationalise their defence spending? Will they recommit to meeting NATO's 2% of GDP defence expenditure target? Will any of these efforts be channeled through the EU? The outlook does not look promising. Leading military powers within Europe seem to have turned their back on the (now) CSDP, disenchanted with its limited progress. Furthermore the 2011 intervention in Libya once again revealed the logic of diversity within the EU on military and security issues as well as Europe's dependence on US logistical support and capacities.

Rethinking the US national interest

The global financial crisis that broke out in 2008 has served as a catalyst for a reassessment of the national interest in Washington. Fundamentally, the question being asked is how commitments can be brought into line with capabilities. The US is currently in a period of intense fiscal emergency, a

situation that threatens to end the six decade era of *Pax Americana*. A ‘profound power shift in international politics’ is on the horizon ‘which compels a rethinking of the US world role’ (Layne 2012). There is, just as there was in the mid-1980s when the “US in decline” thesis had its first round of hearings, ongoing debate about the extent to which the US is in decline. Brooks and Wohlforth (2008: 13-15) claim that the thesis is being oversold and that the world will remain unipolar for several decades. They see a dynamic in which the US, since the end of the Cold War, has ‘passed a threshold’ where its dominance is so entrenched that ‘counterbalancing dynamics’ are ‘less constraining’ (2008: 35; see also Fiammenghi 2011: 136-43).²⁷

Brooks and Wohlforth (2008: 209, 218) see the US as possessing a window of opportunity, perhaps open for the next two decades, in which a hegemonic position can be used to reshape ‘international institutions, standards of legitimacy, and economic globalization’. But they are out of sync with a growing body of academics who are endorsing the broad notion of US decline (Pape 2009; Layne 2006; Ferguson and Kotlikoff 2003).²⁸ The debate is of fundamental importance because the US continues to provide, or at least to subsidise, the public good of security in Europe. The perception in Washington policymaking circles seems to be that the US has to scale back its commitments to bring them back in line with capabilities. The most recent assessments of the US National Intelligence Council (NIC 2008) paint a sobering picture in which a multipolar world crystallises over the next two decades. China and India, it argues, will both return to ‘the positions they held two centuries ago when China produced approximately 30 percent and India 15 percent of the world’s wealth’. This is the result of a shift ‘without precedent in modern history’ of

²⁷ Brooks and Wohlforth (2008: 34-41, 62-63) argue that a combination of US pre-eminence within existing structures, its huge military power advantage, the collective action problem that must be overcome for effective balancing against the US, and the fact that the US is not a threatening and belligerent hegemon, will ensure its continued dominance.

²⁸ Much of this does echo the declinist literature of the 1980s when the rising threat seemed to be Japan and the potential of a European bloc buttressed by German power. We have seen earlier in this chapter how the reality of the late 1980s and early 1990s was very different. For leading declinist works of the 1980s see Chace (1981), Calleo (1982), Kennedy (1987), and Huntington (1987). It must also be noted that Brooks and Wohlforth’s book, *World out of Balance*, was written before the onset of the global economic crisis in 2008.

‘relative wealth and economic power’ from the Euro-Atlantic to the Asia-Pacific (NIC 2008: 7).²⁹

Stepping back from relative power distributions and focusing solely on the US paints an equally sobering picture. The US will, as Mandelbaum (2010: 14) puts it, ‘have to consume less and save more’. The problems that the US faces are not insurmountable but they are severe. The Congressional Budget Office have presented a comprehensive evaluation of current spending by the US and their analysis demonstrates that a continuation of existing policies will see the federal debt held by the public jump to near 200% of GDP by 2040 (CBO 2012: 1-4). The US has incurred tremendous costs as a result of two wars in Afghanistan and Iraq (Stiglitz and Bilmes 2008), has unfunded obligations nearly four times the output of the economy (Mandelbaum 2010: 21), and has vastly increased its money supply to mitigate the impact of the economic crisis. Such developments threaten to undermine the dollar’s role as the global reserve currency of choice that would undercut one of the primary components of US power (Kirshner 2008; Helleiner 2008).

Against the background of a global shift in power toward the Asia-Pacific and its own fiscal troubles the US has begun to signal to the rest of the world that it is reassessing its grand strategy (see Clinton 2011; Barno et al. 2012; Overholt 2008). One area where the US can make savings and retrench is in Europe and its commitment to European security. The January 2012 US Defense Strategic Guidance document spelled out the implications. The US ‘will of necessity rebalance toward the Asia-Pacific region’ and also ‘rebalance the US military investment in Europe’ (Department of Defense 2012: 2, 3). The US army presence in Europe will, it has been announced, be cut from four brigades to

²⁹ The NIC also estimates that China’s military rise will continue and that by 2030 it will be a first-rank power. India too looks to on a fairly clear path while Russia remains a more uncertain threat (NIC 2008: 29-32). The NIC also raised the prospect of an erosion of the dollar’s role as the leading global reserve currency and also the future strength of US soft power. The analysis thus runs the full gamut of power – military, economic, and ideational – and presents a fairly bleak picture. A similarly grim picture across all three elements of power is painted by Khanna (2008: 326-34).

two.³⁰ Even more significantly, 'US forces will no longer be sized to conduct large-scale, prolonged stability operations' (Department of Defense 2012: 16). Reading between the lines the message is this: should Europe face another Bosnia or Kosovo scale crisis in its near abroad, it will have to handle it by itself. The public good of security will, it seems, be subsidised no longer (or will at least be less subsidised). The fact is that 'Europe is no longer an object of security interest as it was during the Cold War and its immediate aftermath' (Shapiro and Witney 2009: 11).³¹ The US may continue to 'lead "wars of necessity" in defence of European allies' but it will 'not take the lead in "wars of choice" in or around Europe' (Valasek 2011: 2).

The US reassessment will not usher in the sort of chaos and anarchy in Europe that Mearsheimer predicted in 1990. Six decades of intense economic and security cooperation are written out of the neorealist script in the quest for parsimony. But this cooperation counts for a lot and at a sociological level has reoriented the states of Europe. Their identities and interests are far different today than they were in the early-to-mid twentieth century. Embracing a constructivist line it is fair to say that France and Germany, to take the obvious pairing, have deconstructed their historical enmity and reconstructed, in its place, a far more cooperative arrangement. The identities of both states have changed and so have their interests. This has taken place in the context provided by Protected Europe and the interconnectedness of ideas and material forms of power cannot be overlooked. The interdependence that now characterises relations between European states makes an outbreak of hostilities almost unthinkable. In short, if you take away the framework of Protected Europe then European states do not revert to the status quo ante. To presume otherwise is deeply ahistorical. But the US pivot to Asia and re-

³⁰ *The Guardian*, 'Army chief lays out Army cuts in Europe', 28 January 2012. Available at <http://www.guardian.co.uk/world/feedarticle/10063154>, accessed 16 June 2012.

³¹ Michael Clarke, Director-General of the Royal United Services Institute, consistently emphasised this point during a seminar at the University of Edinburgh on 3 February 2012. He was clear that when the US speaks of NATO it now means 'Europe'. The appetite for military deployments in the European near abroad is no longer present and the US is expectant that the Europeans will step up and fill the gap. The seminar is available as a webcast here http://www.pol.ed.ac.uk/events/transatlantic_seminars/webcasts, accessed 7 June 2012.

evaluation of its security commitment to Europe does raise serious questions nevertheless.

The 2011 Libya intervention as a crystallising moment

The 2011 military intervention in Libya is perhaps illustrative of these shifting dynamics and may come to be seen, in future years, as a crystallising moment. Libya has been presented as symbolic of two things from the perspective of European security. First, it is seen as symbolic of the recasting of NATO as a post-American alliance. Hallams and Schreer (2012: 325) remark that 'European allies are forced to confront the reality that a more mature and equitable relationship is essential if NATO is to remain a viable institution ... European allies should assume greater "ownership" of the alliance'. Second, it is seen as a symbol of the death of the CSDP. Menon (2011a: 75) commented that 'less than 18 months after [the Treaty of] Lisbon came into force, the European Union stood on the sidelines and watched as France and the United Kingdom, acting within a NATO framework, intervened militarily on the Union's doorstep'.

The operation was messy in terms of its political leadership. The UK and France took an early lead and air strikes to protect the citizens of Benghazi from Colonel Qadhafi's forces commenced on 19 March 2011. After initially participating and assuming strategic command the US re-evaluated its role and, in the now infamous words of President Obama, decided to 'lead from behind' (see Murdock and Smith 2012: 62). The US scaled back its participation and, on 31 March 2011, the operation was turned over to NATO and became Operation Unified Protector. The US was thus playing a supporting role in a European military campaign, a dynamic that Secretary of Defense Robert Gates suggested may be a taster of things to come (RUSI 2011: 9). The question of whether Libya represents a good model of US-European cooperation in the future is beyond

the scope of this brief consideration.³² What matters for the present analysis is that Libya seems to be evidence of a new military dynamic between the two sides of the Atlantic (Valasek 2011: 2).

Beyond revealing a potentially new dynamic that marks a serious weakening of the foundations of Protected Europe, the Libya intervention once again demonstrated the logic of diversity within Europe. On a major issue of foreign and security policy the leading Member States of the EU were unable to present a coherent and unified position. With the UK and France leading the charge, Poland and Germany were both critical of the operation and refused to take part.³³ The political division at the heart of the EU meant that 'as the crisis in Libya escalated, no one apparently seriously considered intervention under the framework of the CSDP' (Menon 2011a: 75). Within NATO the intervention confirmed the existence of a multi-tiered alliance (see Noetzel and Schreer 2009) in which few members were militarily capable of performing. The dependence on the US for operational capabilities and logistical support was further evidence of Europe's limited capacity to respond to security threats (IISS 2011). Libya was a demonstration of 'NATO's limitations rather than its power' (Clarke 2011).

The paralysis of the EU, the two-tiered nature of NATO, and the ongoing dependence of Europe on US capabilities are far from an encouraging recipe for a future European security architecture. If Protected Europe does come to an end then these worrying trends need to be reversed. This will require leadership from those European states possessing the necessary military power to shape a future European security structure.

³² One leading commentator of such issues has suggested that the intervention-lite model of Libya may well be a model for the future (Witney 2011: 4) but the specific model of burden-sharing within NATO that was on display during the intervention seems less credible as a future model.

³³ Germany even went so far as to abstain in the UN Security Council vote establishing a no-fly zone over Libya. See *Spiegel* online, 'Germany hesitates as UN authorizes action against Libya', 18 March 2011. Available at <http://www.spiegel.de/international/world/security-council-abstention-germany-hesitates-as-un-authorizes-action-against-libya-a-751763.html>, accessed 6 June 2012.

What future for European security?

The incoherence of the EU on Libya and so many other issues is only one of the major issues that must be confronted as Protected Europe begins to be dismantled. 'Political decisions aside', on the Libya intervention 'the decision was also based on capabilities' (Menon 2011a: 86). More accurately it was about a lack of capabilities. In 2011 the House of Lords conducted an inquiry into the military capabilities available to the EU. The evidence received from diplomats, civil servants, academics, and politicians was almost universally negative (House of Lords 2011). A specific area of condemnation was military capabilities and the lack of willingness to keep military budgets at the NATO target of 2% of GDP. Nick Witney, the former head of the European Defence Agency (EDA), assessed EU Member States' propensity to meet their own targets as 'consistently dismal'. Member States do not lack resources but they are 'determined to spend their national defence budgets in accordance with national priorities rather than in the collective interest'. Furthermore vast sums are wasted on duplication or, worse still, on non-deployable forces or obsolescent equipment (House of Lords 2011: 265, 266).

Bastian Giegerich has drawn attention to the fact that land forces available for sustainable deployments by EU Member States has fallen from nearly 125,000 in 2008 to just 106,000 by 2010. Active duty forces deployed by EU Member States also fell over 2006-11. Giegerich attributed such declining trends not to the lack of demand for military capacity in the global system but to 'supply side constraints' such as intervention fatigue, shifting threat perceptions, and most crucially a structural under-funding of European armed forces (House of Lords 2011: 148-49; Giegerich and Nicoll 2012: 58-63). There continue to be major deficiencies in military spending across EU Member States. Defence expenditure is falling on average but this is not the real problem. The real problem is that cuts 'increase the need for more effective spending' but there remains very little rationalisation of defence expenditure (Giegerich and Nicoll 2012: 56, 57).

The EDA, launched in 2004 with a specific remit to ‘support the Member States in their effort to improve European defence capabilities ... and to sustain ESDP’ (Council of the European Union 2004), has underperformed. The UK put the EDA on a two-year notice in 2010 stating that, if performance had not improved by 2012, it would withdraw its support and participation. But to criticise the EDA for its limited success is to misdiagnose the problem. The EDA’s toothlessness is merely a symptom of EU Member States’ unwillingness to cede control of defence procurement to EU institutions or properly liberalise the market. As Anand Menon put it, ‘the EDA was specifically modelled on the European Commission ... it can provide the information, the monitoring, all those mechanisms that allow states to cooperate more effectively. The difference is the [EDA] is toothless’. It remains a tool of Member States who ‘make sure it does not take decisions at variance with their interests’ (House of Lords 2011: 230). Although defence may have been de-nationalised by the presence of NATO since 1949, defence procurement has remained very much nationalised.³⁴

Any attempt to alter the status quo will require leadership by those actors possessing the most military capacity and power, namely the UK and France. Unfortunately it seems as though both are moving away from multilateral defence efforts and the CSDP. There is a deep disaffection with CSDP among UK policymakers. Frustrated by the lack of commitment from some EU partners, UK policymakers seem to have decided that bilateral defence cooperation is a more efficient way to proceed (O’Donnell 2011a: 422-27). The most high profile example of this to date is the November 2010 Defence Cooperation Treaty signed with France (Menon 2011b).³⁵ A senior civil servant from the Ministry of

³⁴ This is reflected in the fact that 75% of military equipment in the EU is procured unilaterally and 95% of that equipment belongs to Member States (Valasek 2011).

³⁵ The details of the bilateral treaty can be found here, Ministry of Defence press release, 2 November 2010. Available at <http://www.mod.uk/DefenceInternet/DefenceNews/DefencePolicyAndBusiness/UkfranceDefenceCooperationTreatyAnnounced.htm>, accessed 6 June 2012. The proposals include a Combined Joint Expeditionary Force, an integrated carrier strike group, training and support for the A400-M transport aircraft, future submarine technology, marine mine countermeasure equipment, military satellite communications, air-to-air refuelling, and military air transport (Downing

Defence remarked that the treaty was signed because France 'is a similarly capable nation with high spending on defence ... prepared to deploy its forces' (House of Lords 2011: 184). Attempts to develop ESDP have, as demonstrated above, revealed the ongoing tensions between the UK and France in terms of their national outlooks. Bilateral cooperation may provide a way to circumvent this as the struggle over the meaning and substance of the multilateral effort is removed from the equation. However it is also a clear threat to the CSDP as it diverts the attention of the only two powers capable of instilling it with the necessary leadership.

Of the pair the UK is the more disillusioned. After announcing the bilateral treaty France was quick to balance this with an announcement that symbolised its ongoing commitment to the CSDP, namely a further effort by the so-called Weimar Triangle. Germany and Poland are the other members of the triangle and the three have formed an EU battle group in addition to presenting a unified front on the issue of building an EU Operational Headquarters.³⁶ It was France that lobbied for a CSDP effort in Libya, that calls for an increase in the budget of the EDA, and that continues to lend material support to CSDP operations (O'Donnell 2011b: 4). For France CSDP remains what it always has been; a mechanism to amplify French power. But even policymakers in Paris have become 'deeply frustrated' by the refusal of their EU partners 'to strengthen CSDP in exchange for France's reintegration into NATO's strategic command in 2009' (Ibid.).

France's decision to reintegrate into NATO may be a harbinger of things to come. With the US seemingly content to take a back seat in the alliance, the Gaullist vision of an Atlantic Alliance in which France could play a leading role may be closer than ever to becoming reality. The reintegration was politically

Street 2010). If all of these commitments were delivered it would represent 'the most significant step ever towards effective European defence cooperation (Giegerich and Nicoll 2012: 78).

³⁶ Indeed Poland is now one of the principal champions of CSDP. For so long staunchly Atlanticist in its outlook Poland began to shift its outlook in 2009 as it began to sense a coming strategic shift by the US. Poland's search is for an insurance policy and, increasingly unconvinced that Washington will provide that insurance, has shifted its attention to Brussels (see O'Donnell 2012).

sensible from the French perspective. As France became more heavily involved with NATO in the post-Cold War security environment, and as NATO began to take on a greater range of responsibilities, remaining outside of the command structure was politically nonsensical (Howorth 2010). It was not an abandonment of Gaullism; it was simply a pragmatic response to altered security realities. France's return to NATO is not an outright threat to CSDP, indeed the two seem to have developed as very different tools that are useful for very different situations. But if France can secure its goals of power projection and global influence through an enhanced role in NATO then the future of the CSDP may be called into question (Irondelle and Merand 2010).

The best hope for the further development of CSDP seems to be that a small group within the EU will pool their power and provide leadership to the project. This will likely require a return of the UK in order for it to be coherent. The UK response to France's return to NATO was not coherent and reflects a deeper lack of strategy at the heart of current UK defence policy (Bickerton 2010). The exogenous shock of a significant withering of Protected Europe may be sufficient to bring the major European powers back to the table in a multilateral setting. If this happens, however, the same problems will have to be resolved. The only way that a coherent European foreign, security, and defence policy can be developed is if the leading powers re-conceptualise their calculations about autonomy.

Escaping the autonomy trap will require the leading European states to agree, at a strategic level, that it is better to concert their efforts through robust institutional mechanisms than to continue with largely ad-hoc measures. It will also require a further closing of the Atlanticist-Europeanist divide. However, as the US withdraws and seeks greater leadership by the Europeans in their own neighbourhood, this divide might fade considerably. Such agreement would lead to the 'confederalisation' of foreign and defence policies alongside the economic confederation that presently exists. While such a development cannot be ruled out, especially as the combined effect of a withering Protected Europe and cuts in European defence expenditure materialise, it seems a distant prospect. What

Witney (2011) has called 'the demilitarisation of Europe' seems to be continuing apace.

4. Conclusion

This chapter presented a classical realist analysis of the continuation of Protected Europe following the end of the Cold War and the collapse of the Soviet Union. While the distribution of power within the international system, and the polarity of the system, changed, the national interest of the dominant actor vis-à-vis Europe did not. Following the Cold War, the US quickly moved to shore up its position in Europe. It signaled its intention to continue to provide the public good of security to Western Europe. NATO, the institutional manifestation of that commitment, was expanded into Central and Eastern Europe. The US continued to pursue a stable security environment in the region, for political and economic reasons, and it acted to underwrite that through a continuing commitment to NATO. The same attitude that prevailed in Washington towards European security cooperation during the Cold War persisted. As far as US policymakers were concerned such cooperation was to be welcomed so long as it did not represent a challenge to the centrality and supremacy of NATO. Washington was concerned, above all, to preserve its leadership and its autonomous capacity to shape the security environment. The extension, further into Europe, of US power and control was again unsurprising given the proclivity of predominant powers to expand their interests and seek control over their environment. Protected Europe was thus preserved and US preeminence was perpetuated.

Within Western Europe the end of the Cold War triggered the reunification of Germany, a development that boosted German power and resources and threatened to create a new security dilemma. The continuation of Protected Europe and the willingness of Germany to assuage any fears on the part of her neighbours, largely contained that problem. There was a relatively ineffectual

move, by France, to implement a binding strategy in the foreign and security policy realm. But the decisions to strengthen the CFSP and to partner it with the ESDP were triggered by different concerns. The concerns were laid bare by the crises in the Balkans that served to reveal both the alarming incapacity of Europe to act in its neighbourhood and the equivocal commitment of the US. As that equivocal commitment started to crystallise the European states began to take tentative steps to enhance their capacity to project military power, and act independently of the US. Both were incremental processes and there was no defining pivotal moment in which, so to speak, the US stepped down and the Europeans stepped up.

There is a realist logic to the Europeans' desire for autonomy and power projection capacity. There is an equally realist logic to the limited impact of both CFSP and ESDP. The logic of diversity has continued to dominate the logic of unity in military and security matters. One of the most notable manifestations of this logic of diversity is the ongoing divide between Atlanticism, and the prioritisation of NATO, and Europeanism. The result of such diversity is a gap between the rhetorical commitment of the EU and the material capabilities marshalled in support of that rhetoric. Although CFSP and ESDP both have their success stories, they have not challenged the logic of Protected Europe and they have not come close to forming a coherent foreign and security policy.

The second decade of the twenty-first century may mark a turning point. The combined effects of military overstretch and a dire fiscal position seems to have triggered a re-evaluation of the national interest in Washington. The reality of power politics has meant that, since 1945, Europe has been in a position of having to respond to moves made by the US. The same dynamic persists as Europe tries to adjust to the decision, seemingly taken in Washington, to no longer provide the public good of security to Europe. Protected Europe seems to be coming to an end. Whether it will be replaced by the Gaullist vision of a European-led NATO, an Anglo-French directorate, or a recommitment to the CSDP, remains to be seen. From a classical realist perspective, the only

prediction that can be made is this: the outcome will depend upon how the most powerful military players in Europe conceive of their interests.

CHAPTER 5

CONFEDERAL EUROPE AND A EUROPE OF STATES, 1945-69

The previous chapters detailed the rise and persistence of Protected Europe during and since the end of the Cold War. It was the Cold War and the US injection of military power that fostered an environment conducive to the development of a very distinctive Western European economic system. Confederal Europe was a more fundamentally 'Western European' system than Protected Europe, which was embedded in a broader Atlantic framework. As Calleo (2001: 102) notes, 'a divided and occupied Germany greatly eased and encouraged Franco-German cooperation while the Soviet appropriation of so much of Central and Eastern Europe removed a traditional source of Franco-German contention'. The security dilemma was alleviated and Western European states could focus on non-military matters with an enhanced degree of security. Jervis (1990/91: 51) was right to note that 'expectations of peaceful relations were a necessary condition for the formation' of the EEC and 'had the Europeans thought there was a significant chance that they would come to blows, they would not have permitted their economies to grow so interdependent'.

The purpose of this chapter is to explore the development of Confederal Europe and its coexistence, at times uneasy, alongside the Europe of States during the Cold War. The argument advanced is that, after a brief period of functional experimentation that was prompted by Washington's demand for the economic revival of West Germany, the states of continental Western Europe embarked upon the construction of an economic confederation. They did so for two

primary reasons, one external and one internal. First, Western Europe found itself operating within a global economic system established by the US after World War II. It was a system premised on open trade and investment and was designed to serve the interests of the US (Costigliola 1984: 263-65). The weight of the US far outweighed that of any individual Western European state and there was a move to establish a large and protected market that took the institutional form of an economic confederation. Thus it was an effort both to secure some degree of autonomy from the US in the economic sphere and to project power into the global economic system.

Internally the confederation was a mechanism of managing the Western European balance of power between France and West Germany. The Franco-German engine has often been cited as the force that has sustained Confederal Europe and this chapter endorses that claim. However, from a realist perspective, the confederation can be conceptualised as a way of managing the balance between the two. This ability was predicated on the complementary nature of the French and West German national interests. A constant thread running through the French national interest during this period was the desire to enhance prestige and play a role on the global stage. It was therefore necessary to be in the political driving seat of an entity bigger than France itself. Confederal Europe was that bigger entity. The puzzle, therefore, is why West Germany – re-established as the biggest economic power in Western Europe by the 1950s – ceded this leadership. The answer to that particular puzzle can be found in West Germany's overriding national interest in securing reunification. A necessary means to this end was cultivating stable and secure relations with its neighbours. West Germany was thus a 'tamed' and 'Europeanised' power. It adopted a cautious and relatively non-assertive approach to its foreign policy (Bulmer et al. 2010: 2-7) as a tool to help develop cooperative and stable relations with its neighbours. Such an approach, by West Germany, complemented France's desire for prestige and its wish to use Europe as a means to that end.

The structure of the chapter is, as the previous one, chronological and considers a series of key developments during 1945-89. The first section considers the role of the US Open Door policy in both encouraging a US commitment to Western Europe and creating the global economic environment in which Western European states had to operate. It argues that the first postwar decade was one in which the US had unusual scope for shaping events and that they forced the economic revival of West Germany which, in turn, encouraged the French to engage in a functional experiment to control certain aspects of that revival. The second section considers the establishment of Confederal Europe over 1955-69. It argues that the search for larger markets and the desire to influence a global trade system dominated by the US motivated policymakers to establish a confederation. Furthermore, by refusing to engage with this development the UK found itself isolated and at the mercy of a France which was content to deny them entry so as to assert control themselves. The tension between Confederal Europe and the Europe of States was also to come to the fore during this period as de Gaulle revealed the potential of that fault line to seriously encumber the system.

1. The US 'Open Door' and European functionalism, 1945-55

The first decade after World War II saw significant changes to the economic structures of Western Europe but these changes did not take place in a vacuum. The injection of US power and interests in the security sphere was mirrored in the economic sphere. The two went hand-in-hand. It was the US that set the context for, and shaped the economic environment of, postwar Western Europe. As a result of relative power gains, the US laid the foundations for a new global economic system. No longer would Western Europe shape that system. Rather it would respond as best it could to the dictates of the economic superpower. The US adopted the policy of the Open Door and established a liberal global trade regime of which Western Europe was to be a crucial component. During the first postwar decade the US helped Western European economic recovery with a

massive programme of assistance – the Marshall Plan – and tried to foster some form of larger Western European economic entity. Their efforts were fruitless in the first decade as Europe dabbled with various forms of intergovernmental and functional organisations usually designed to accomplish specific tasks. But the injection of US economic power was done in pursuit of a clearly defined US national interest. As in the security structure, US power was able to transpose the German Question into a new, global context and West Germany's economic revival was thus decided over the heads of European states. This forced the first move in a rapprochement between France and West Germany, a rapprochement upon which Confederal Europe was ultimately founded.

An Open Door to Western Europe

The foundations of America's postwar economic interests were laid during the war itself (Hearden 2002: 11-38). There was a realisation that following victory the US would emerge as one of the strongest global powers and would have an opportunity to build structures for the global economy that furthered the US national interest. That economic order was to be founded on a commitment to free trade and investment (Krasner 1977: 656).¹ US policymakers embarked on the construction of a postwar economic order 'because American leaders enjoyed both the means and the will to exercise leadership of the global economy' (Pollard 1985: 2). Through summer 1944, the US took the lead in planning the postwar system of multilateral trade at Bretton Woods (Hearden 2002: 175-85). The system was rooted in the US national interest: 'stabilization of finance and monetary markets increased demand for American exports, created jobs at home, and safeguarded foreign investment (Pollard 1985: 16). The desire to ensure a postwar environment conducive to these interests saw

¹ Such preferences were apparent during World War II as the US had signed the 1941 Atlantic Alliance and the 1942 Mutual Aid Pact, both with the UK, containing liberalising clauses. The US Treasury department had been developing plans for the so-called 'Bretton Woods' institutions since mid-1942 (see Gardner 1969: 65-7; Eckes, Jr. 1975: ch. 2).

the US adopt aggressive economic policies towards the UK during the war to ensure that the UK did not emerge as a potential rival in the aftermath (McKercher 1999: 308-43).² Even at the height of the wartime alliance, therefore, the US was calculating how it could amass sufficient power to attain its interests after victory.

The pursuit of this national interest shaped the economic structure that would emerge in Western Europe. The US saw it as a national interest to secure Western Europe within its economic system and that meant ensuring that the region was both stable and secure from the rival communist system. The fear of the Soviet Union gaining a foothold in Western Europe as a result of general economic malaise, and growing support for domestic communist parties, was far greater than the fear of a Soviet armed invasion. The Soviet Union presented no credible conventional military threat to Western Europe but the fear was that communist control and influence could augment Soviet economic and military power (*FRUS* 1947, Vol. 3: 230-32; Acheson 1969: 309-10).³ Communist parties had gained strength in France and Italy, alarmingly so, and this was fuelled by desperate economic conditions in those states (Leffler 1992: 161-64, 190-92). There was a concerted effort by communist parties based in Western European states to mobilise the domestic working classes (Behrman 2007: 118-21, 137-38, 154-56).

These fears prompted the US to spend \$13 billion on the economic recovery of Western Europe over 1947-51, a figure equivalent to approximately 5% of US GDP, through the Marshall Plan (Behrman 2007: 339).⁴ Historians continue to debate whether it was a necessary component in postwar economic

² It was 'crucial in the American view, that the UK emerge from the war neither too weak nor too strong, but amenable to American direction on the larger issues' (Kolko 1968: 488).

³ It is easy with the benefit of historical hindsight to downplay the threat but the reality was that communist parties won 29% of the vote in the November 1946 French elections and 40% of the vote in the June 1946 Italian elections (Price 1955: 33-4). Such was the alarm in Washington that Truman reportedly ordered the US army to be on standby to intervene in France should the communists come to power (LaFeber 1987: 44).

⁴ Officially called the European Recovery Programme but the simpler phrase 'Marshall Plan' will be used here.

reconstruction.⁵ From an economic perspective the necessity of such a transfer is debatable but the Plan was always about more than economics. It was a psychological boost to a fragile continent. Economists and policymakers that lived through the experience were quick to point out that the social fabric in Western Europe was strained (Bissell 1952; Marjolin 1986: 178-80). It was precisely the wrong time to be asking the citizens of Western European states to once again sacrifice and struggle through economic difficulties. The risk of further communist gains was too great a risk. Thus Judt (2001: 7; also 2005: 87-99) was right to remark that the Marshall Plan 'was not just economic and political; it was also and perhaps above all psychological'.

The Marshall Plan was both a means of securing economic interests and preventing the expansion of the Soviet Union (Hogan 1987: 287-310; Leffler 1992: 14). The two are hard to disentangle.⁶ It was a success insofar as it swung Western European states away from any flirtation with communism. The US used its economic power to provide incentives 'to embrace the markets ... [and] to decontrol prices and restore the operation of the price mechanism by reducing inflationary pressure' (Eichengreen 2007: 66).⁷ Politically it had the effect of splitting socialist parties from communist parties – the latter had been instructed by Stalin to oppose the Plan – and thus strengthening the political

⁵ Eichengreen (2007: 52-8) has demonstrated that Western Europe was in economic recovery by 1947. Milward (1984) argued that Western Europe was suffering no more than a balance of payments problem and that, absent the ERP, 'post-war Europe would have looked much the same' (1989: 252). Hogan (1987) and Diebold (1988) both dispute this and make the case that Western Europe's outdated industrial technology and production mechanisms meant that the economic recovery was not guaranteed to be sustainable.

⁶ As Yergin (1978: 309) put it, the Plan 'had two basic aims which commingled and cannot really be separated – to halt the communist advance into Western Europe, and to stabilize an international economic environment favorable to capitalism'.

⁷ Essentially what the Plan did was allow Western Europe to close its 'Dollar Gap'. The Dollar Gap was the gap between the dollars Western Europe possessed and the dollars it needed to purchase the goods and resources from the US that were needed to sustain its economic recovery (Milward 1984: 5-55; Pollard 1985: 60-1). Eichengreen (2007: 65) summed it up: 'The Marshall Plan thus solved the catch-22 of having to export in order to pay for imports but being unable to produce for export without first importing materials and machinery'. Hitchcock (2003: 134) remarked that in 'narrowly economic terms, the contributions of the Marshall Plan to Europe's industrial recovery were small'. But the counterpart funds allowed for Europeans to purchase things they would have otherwise been unable to and the proceeds of those purchases also went towards economic recovery. There was also the multiplier effect that ensured an aggregate value added far in excess of the \$13bn of grants (Arkes 1972: 241).

centre in Western Europe. In addition it 'signaled the intention' of the US 'to remain engaged in Europe after World War II, in contrast to the country's disastrous disengagement from Europe a generation earlier' (Dinan 2005: 21; also Maier 1991).

Furthermore the Plan represented the first signal of US support for the development of a new economic structure in Western Europe. This structure would see 'a large single economic unit' (*FRUS* 1948, Vol. 3: 407) emerging and efforts to 'erase the traditional territorial constraints on European enterprise, abolish old habits of bilateralism and restrictionism, and eliminate archaic concerns with national self-sufficiency and autonomy' (Hogan 1987: 54). But it would be going too far to suggest that there was a coherent vision among US policymakers for a new form of political organisation in Western Europe. Policymakers in Washington were interested in end results, not the structures themselves (Diebold 1988: 433; also Harper 1994).⁸

Despite this lack of direct causality, the Marshall Plan was important for the emerging fabric of the Western European system. Carr (1942: 233) argued that 'some kind of European economic unit, whatever its precise scope and dimensions' had 'become imperative'. But Carr, looking at the situation through a realist lens, opposed any move towards top-down legal or quasi-constitutional constructs. For Carr, the pragmatic solution was to allow peace to come about through 'a continuous process which must be pursued in many places, under varying conditions, by many different methods'. The course of European reconstruction should be guided by pragmatism and concrete problem-solving (Carr 1942: 240-41). While the 'economic problems of peace' would be 'different from those of war', Carr (1942: 246-47) saw a need for new institutions to 'emerge from existing organisations ... not by an abrupt switch-over, but by a process of gradual evolution'. Events proceeded largely in this

⁸ What is clear is that a broad and shared consensus existed on the need to establish a larger economic unit that transcended the sort of economic and political compartmentalisation that had characterised Europe during the 1920s and 1930s. But key policymakers had very different ideas about both how the US should engage Western Europe and what changes should be made to economic structures.

vein. Dinan (2005: 25) notes the existence of a number of functional agencies concerned with European relief and reconstruction in the immediate postwar years. It was these institutions that brought national policymakers together and began to alter perceptions as, increasingly, people viewed problems as 'European' in nature.⁹

The Marshall Plan forced Western European states to cooperate, at least minimally, and forced them into a position where they had to think about the needs of the continent as a unit. The US was not prepared to deal with sixteen bilateral requests from the recipients of Marshall aid; they maintained, as a condition, that the recipients create an institution through which a single request could be filed with Washington. The institution created was the Committee of European Economic Cooperation (CEEC), later upgraded to the Organisation of European Economic Cooperation (OEEC). The achievements of the CEEC/OEEC should not be overstated. The work was characterised by division and fighting over national interests. It did little to spur the sort of integration that would come to characterise Western Europe; but it did force the negotiation of differences. Killick (1997: 185) summed it up: 'US policy and the Marshall Plan pushed Europe towards an integrated and multilateral future'. But it did so in a prudent way, without forcing rigid solutions on them because 'thoughtful Americans knew that whatever was to be lasting in European integration would have to be done by the Europeans themselves' (Diebold 1988: 434). Rather than coerce and cajole, the US created a new context – with an emphasis on trade liberalisation, free investment, and incentives to think about Europe as a unit – in which a new economic system began to emerge.¹⁰

⁹ These included the European Coal Organization, the European Central Inland Transportation Organization, and the Emergency Economic Committee for Europe. The United Nations Relief and Rehabilitation Administration (UNRRA) existed through 1949 and the UN's Economic Commission for Europe took over existing emergency relief organisations in 1947.

¹⁰ The European Payments Union (EPU) that was agreed on 14 May 1950 was a major step towards liberalization of intra-European trade. It was something that the US had been eager to see accomplished and, once implemented, proved remarkably effective (Stikker 1965: 174; Bullock 1983: 762; Bissell 1996: 57). Eichengreen (1996: 106-9; 2007: 79-85) has described the workings of the EPU. Essentially it provided a clearing mechanism in which trade between members could be completed in any member currency. It made trade deficits and surpluses

Dividing Germany and reviving West Germany

In order for the broader goal of Western European economic revival to be successful, the economy of West Germany had to be revived. The 'German Question', just as it had in 1919, occupied centre stage and it seemed, for a short time, as though France would simply reassert the same priorities as they had in 1919 (McDougall 1978; Trachtenberg 1980). Carr (1942: 218-225) argued that the only two viable strategies for resolving the German Question were the massacre of 50,000,000 Germans as a permanent solution to the problem of German strength, or making Germany 'a partner in a larger unit ... Germany's belated nationalism can be overcome only by making internationalism worth her while' (Carr 1942: 224-25). France ultimately opted for the second option and offered West Germany a form of partnership in a new, supranational, and functional organisation: the European Coal and Steel Community (ECSC). Proposed by Robert Schuman on 9 May 1950 and based on a plan by Jean Monnet, the ECSC represented 'a technique for solving a specific political problem, namely the need to end the controls imposed upon Germany's war industries after the country's defeat' (Forsyth 1981: 179). The logic of the ECSC was completely different to that of the confederal scheme that would emerge later in the 1950s. It was an experiment with functionalism that aimed to solve the specific problems of how to revive the West German economy without creating French insecurity, and the issue of the Ruhr (Dinan 2005: 37).¹¹

between individual member states irrelevant and replaced it with a concern for a state's trade position vis-à-vis Europe more generally.

¹¹ The Ruhr was an area in the far West of Germany that was rich in coking coal, a commodity much sought after by France for her steel industry. French postwar policy was initially geared towards some degree of control of the Ruhr territory. From 1949-52 an International Authority for the Ruhr (IAR) – involving France, the UK, the US, and the Benelux – was responsible for controlling the coal and steel industries of the area. The IAR was largely ineffectual however and a more robust, long-term solution was required. The ECSC was such a solution. The French extracted one further concession, namely the industrial reorganisation of the Ruhr that had the effect of de-concentrating the coal and steel sector there. For an overview of the IAR see Yoder (1955) and on de-concentration see Gillingham (1991: 255-81).

The emergence of the ECSC can be understood according to realist logic and the impact of the global system on the Western European system. As early as 1947, the US had established that the western zones of Germany had to be economically revived (Leffler 1992: 151-52). It was imperative that Germany – still at the time under four-power control – not fall into the Soviet sphere of influence (*FRUS* 1947, Vol. 2: 139-42). Furthermore, unless controls were lifted on the German economy, it was doubtful that Western Europe's economic revival could take hold firmly. Judt (2005: 87) saw clearly that the immediate postwar years were characterised by 'the effective disappearance of Germany from the European economy'. The interdependence of trade in the pre-war triangle of Germany, the UK, and the rest of Western Europe made the permanent economic suppression of Germany not viable (Pollard 1985: 63). France remained opposed to a West German revival through the late 1940s. Any revival of the German economy could form the basis for revived military strength and France remained concerned about its historical enemy next-door. The French conducted their postwar planning from the premise that Germany would remain controlled and that they would be able to extract a steady stream of coking coal for their steel industry (Duchêne 1994: 156). The Monnet Plan – a plan to modernise the French economy after the war – was based on an ability to exploit its victor-power status to full advantage vis-à-vis Germany (Gimbel 1976: 116-17, 196-98; Hogan 1987: 177; Milward 1984: 126-67).

The French national interest in securing such concessions from Germany was overruled by the national interest of the US, a more powerful outside actor whom Western Europe was dependent upon both militarily and economically in the late 1940s. This dynamic, of a Western European system taking shape within a global system, was crucial to the transposition of the German Question.¹² No longer would the question be one answered in a purely European context. Now the question was of significance to the global system, was directly pertinent to the national interest of the US, and was thus transposed.

¹² And was the economic corollary of the dynamic in the military and security sphere where the German problem was similarly transposed and the US forced the issue of rearmament onto a less than enthusiastic France.

Transposing the question allowed for it to be answered effectively. In fact it forced it to be answered. France would not have completed this conversion on its own initiative; it was an accommodation of West Germany forced upon them by a more powerful actor. French policy during the 1940s supports that conclusion.¹³

The French shift was decided finally after an ultimatum from the US in October 1949, informing them that they had until May 1950 to devise a solution that would permit the economic revival of West Germany (*FRUS* 1949, Vol. 3: 624-25; Acheson 1969: 338-40; Young 1990: 228-31). Acheson felt that 'the key to progress ... is in French hands' and feared that 1949 represented the last chance to avoid 'Russian or German, or perhaps Russian-German domination' of Europe (*FRUS* 1949, Vol. 4: 469-70). The US used its power within the Western European system to set a clear end, but they were willing to devolve to France latitude over the means to that end. France thus found itself in a weak position – its political system was not bedded in and it was suffering domestic weaknesses although the exclusion from government of the communists in 1947 helped matters – and although it was a hard fought battle domestically France did acquiesce to the establishment of West Germany. France sought to retain control of the Saar, have some form of international control of the Ruhr, and keep West Germany weak and decentralised (Hitchcock 1998: 93-7). Externally,

¹³ While World War II was still ongoing the French had signalled their support for the Morgenthau Plan, named after the US treasury secretary, which aimed to pastoralise Germany (Lewkowicz 2010: 30-2; Dietrich 2002). The Morgenthau Plan was never seriously considered as a policy option in the US but there was a concerted move by some US policymakers, over 1944-48, to sell the idea of a harsh peace settlement for Germany to the US public (Casey 2005). Retreating from the severity of that plan the French still insisted upon international control of the Ruhr and Rhine, annexation of the Saarland, strict limits of German production, and privileged access to coking coal (Hitchcock 1998: 69-70; *FRUS* 1947, Vol. 2: 190-5). Through 1946-47 France flirted with the Soviet Union with a view to re-establishing the old European pattern of power (Judt 1996: 11-12). Martin Wight (1978: 157-67) remarked on the European pattern of power as a sort of checkerboard in which states to the rear of your neighbour become your natural ally. It was thus natural for France to seek alliances with the strongest power to Germany's rear (Wight 1978: 159). French awkwardness over the creation of the Bi-zone in Western Germany was another reflection of this strategy of not wanting to alienate the Soviets. However, by June 1947 'the days of a tacit Franco-Soviet alliance on German policy was over' (Hitchcock 1998: 75).

its loss of power, and the intrusion of US power, heavily constrained France's autonomy, but it did not remove it altogether.

As Hoffmann (1966: 873) noted, US power 'left the dominated with a considerable freedom of maneuver [sic]'. France used the margin in a way that was 'brilliantly creative'¹⁴ (Hogan 1987: 366) and represented 'a major contribution toward the resolution of the pressing political and economic problems of Europe' (Acheson 1969: 384). The situation meant that France's outlook became crucial. Over 1947-49 that outlook was slowly adjusting to the new reality of a new threat from the Soviet Union and the need to move quickly if it was to exert any control over the revival of West Germany. Despite desperate attempts to co-opt the UK into some new institutional arrangement, as a way to augment their security against West Germany, the French ultimately had to proceed without the UK.¹⁵

The Schuman Plan and the ECSC was patently not France's preferred outcome but with the preferred strategies incompatible with the interests of a more powerful actor, France had little alternative (Judt 1996: 13-14). The Plan led to the creation of a single market in coal and steel among the six participating states but it served a far more important political purpose (Gillingham 1991: 228-98). It was a way of ensuring that the key raw materials in war-making were de-nationalised and placed under the regulatory control of a supranational High Authority. As Milward (1984: 418) put it, the ECSC 'ended eighty years of

¹⁴ That was the description offered by John Foster Dulles. Hogan (1987: 367) also quotes Truman as calling the French move 'an act of constructive statesmanship'.

¹⁵ The UK's decision to remain outside of the ECSC has been thoroughly explored by Lord (1996) who rightly concluded that it was the result of a combination of factors. Of primary importance was the belief that the UK was in some way separate from Western Europe and that it had emerged from World War II in a more powerful position than its continental neighbours. The belief that the UK's economic and strategic future would be at the global level and would involve 'three circles' – the European, the North Atlantic, and the Commonwealth – led leaders of both the Labour and the Conservative party to see the ceding of control of key industrial sectors to a supranational functional agency as an unnecessary loss of autonomy. The Labour government had also nationalised the coal and steel industries following the war and de-nationalisation, in order to join the ECSC, was not something that the government or its union supporters would countenance. It was an act of abstention that was to be replicated, with more damaging consequences, over 1955-1957. The decision is widely seen as having been made for ideational and emotional reasons, as opposed to on a cool assessment of the nation interest (see Dell 1995; Young 1999: 69).

bitter and deadly dispute [between France and Germany] and made the reconstruction of Western Europe possible'. What is more it did so in a way that avoided 'all major questions of war and peace ... International regulation of the economy was institutionalised as the alternative to the formal diplomatic resolution of major areas of political conflict'.

West Germany was equally constrained and there was little option but to go along with Schuman's proposal. West Germany was not, in 1950, anything close to sovereign. Its first Chancellor, Konrad Adenauer, was committed to a foreign policy that prioritised a path back to sovereignty (Irving 2002: 90-91). The path involved rapprochement with France and its other neighbours and a policy of Westpolitik that emphasised equality for West Germany within the new Western European system. Adenauer's concern was with making West Germany as economically strong and viable as possible so that it would serve as a magnet for an East Germany that he assumed would remain economically weaker (Schwarz 1995: 475-516). There were internal disagreements within West Germany – the opposition Social Democrats opposed Adenauer's prioritising of relations with the West and also the ECSC – but it was Adenauer and his Christian Democrats who won the battle to form the national interest. As Irving (2002: 112) notes

both Adenauer and Schuman were convinced that traditional intergovernmental cooperation in Western Europe ... would be insufficient to bridge the gap between Germany and its former enemies, and in particular to bring an end to France's profound distrust of Germany.

The result was a convergence of the national interests of the US, France, and West Germany that allowed the ECSC to be established.

Thus, realism can be used to understand the interaction between a global system and a European system. The interests of the dominant actor in the global system set the agenda within the European system. The question was not about ensuring French security; that was something that had to be attained as means

to another end. The issue was ensuring that West Germany would play a constructive role in support of US interests within the new global balance. Within the margin left by that agenda France, as the most powerful actor within Western Europe (given the UK's absence and the West Germany's lack of sovereignty), was able to craft an innovative solution, a solution that chimed with the interest of West Germany, which was too weak to oppose anyway. Ultimately the ECSC is best seen as a form of quasi-peace treaty between France and West Germany that served to remove a major obstacle in their diplomatic relationship and laid the groundwork for a deep and sustained economic relationship (Gillingham 1991: 297-98).

The failure of a European political community

To close off this discussion of the first postwar decade it is necessary to pause and consider what Dinan (2005: 63) calls a lost opportunity. It has already been shown how, in 1954, the proposed EDC failed. The broader proposal at the time was that the EDC and the ECSC would be placed under the umbrella of a European Political Community (EPC). This EPC was not an extension of the functional logic inherent in the ECSC but instead represented a form of political federation. The EPC would have possessed a directly elected People's Chamber, an indirectly elected Senate, an Executive Council, a Council of National Ministers, and a Court of Justice (see Griffiths 1994: 19-39). In its design the EPC was grand and constitutional. Majone (2005: 5, also 32-33) was perhaps only slightly overstating the case when he wrote that the EPC would have 'transformed the six members of the ECSC into an actual federation based on the principles of parliamentary democracy and separation of powers'. The EPC and the EDC were tied together and were ultimately defeated in the French National Assembly. Taken together the two represented an attempt by policy elites to push a grand scheme on a Western Europe that was simply not ready for it.

There is much to be said for the analysis of Grosser (1957: 54-70), in which he argued that the failure of the EDC/EPC proposals were a net positive for the future development of Confederal Europe. He details a deep seated hostility among the peoples of both France and West Germany to the plans and argues that if they had been forced on a resisting populace then they would have been starved of any real sense of legitimacy, and thus starved of a key component of power. One of the arguments of this thesis – that European leaders should always be conscious of the balance between the policy areas that they Europeanise and the base of legitimacy on which they must rest – resonates with Grosser's argument. Europe failed to turn, to return to Dinan's words, for clear and simple reasons. Europe remained a community of nation states with distinctive histories, outlooks, identities, and interests. Morgenthau (1962: 211) echoed such sentiments at the time¹⁶, cautioning against 'the most dangerous of illusions', namely the expectation that the loyalty of soldiers and citizens will follow a 'tenuous chain of command'. Morgenthau was drawing attention to the reality that while functional agencies and institutions had sprung up, postwar Western Europe remained a Europe of States.

Beyond a Europe of States, it was also a Europe in which nationalism, despite the beliefs of some realists (see Carr 1945) as well as others (Mazower 1999: 200-6), had not been overcome. As Hoffmann (1966: 870) observed there was, in postwar Europe a 'temporary demise of nationalism'. But nationalism, that most powerful of political ideas that so often gives force and legitimacy to the nation state, had not been permanently transcended. By the mid-1950s it was apparent that a European federation would not emerge. The Europe of States had for the first, but not the last, time squashed a proposal for new forms of supranationalism in Western Europe. It was demonstrative of the reality that, in order for the European movement to be successful those suspicious of and resistant to supranationalism had to remain a minority throughout the six states and in the leadership of each of them (Hoffmann 1966: 876). These

¹⁶ The essay was originally published as 'Germany will decide her own fate', in *The New Republic* on 1 February 1954.

requirements were met in 1950-53, and facilitated the establishment of the ECSC and some significant developments in the EDC/EPC proposals. They were present again during 1955-58, thus allowing for the establishment of the EEC and EURATOM. But they were absent during that crucial period of 1953-54.

However, that absence was itself the result of the threat posed to the sovereignty of states by the EDC/EPC structures. France, in particular, led the charge for the Europe of States. Having finally ended its war in Indochina, it rejected the EDC/EPC proposals just a few weeks later. Freed from its overseas baggage, France was able to turn its attention back to Western Europe and resist the attempt to neuter its sovereignty and autonomy. Majone (2005: 5) argues that, since the EDC/EPC proposals 'no avowedly federalist plan has ever been seriously considered by the national governments. Integration by stealth came to be regarded as the only feasible strategy open to "good Europeans"'. But what is integration by stealth? Essentially, it captures the idea that overt attempts to integrate states *politically* gave way to attempts to integrate them economically (Majone 2009: 72). Common armed forces and parliamentary democratic standards were replaced by the removal of barriers to trade, the harmonisation of regulatory standards, and the establishment of a common external tariff; issues with far lower political saliency and symbolic value.

Dinan (2005: 63) sums it up well: 'like the revolutionary year of 1848 ... 1954 was a pivotal year, a turning point at which Europe failed to turn'. The nation states of Western Europe, and their citizens, were not looking to disband states and replace them with something else. Rather, they were looking for their nation states to satisfy the demands of the socialised nation that had emerged over the previous decades. Milward (1992) has demonstrated that economic integration was a strategy for restoring and maintaining the credibility and viability of the nation state. Such integration would deliver gains for all of the members that they would be unable to attain acting individually. The demand of citizens for social and economic rights alongside the civil rights that had emerged in the 18th century and the political rights of the 19th century (see Marshall 1992 [1950]: 3-51) could not be ignored. Economic integration was

the only strategy capable of delivering this end. Beyond the need to strengthen and make viable the nation state, however, the move toward Confederal Europe was triggered by the new international economic environment that Western European nation states now inhabited.

2. Forging an economic confederation, 1955-69

By 1955 the rapprochement between France and West Germany was well underway within the slowly emerging Western European system. Even the sore point of the Saar had been resolved following a referendum in October 1955 that returned the area to West Germany (Irving 2002: 115-22). The issue in the mid-1950s was the search for larger markets and the need to make the Western European system economically viable within an increasingly open and liberal trading system. There was a crucial difference between the moves that led to the EEC and those that had prompted the ECSC and the EDC. Where earlier moves had been given their impetus by an outside power, namely the US, the EEC was a homegrown development from within the Western European system. From the Messina Conference in 1955, six states came together and forged an economic confederation with a customs union being established by 1969. The logic differed fundamentally from the functional logic that had animated earlier institutional attempts (Forsyth 1981: 179-83).¹⁷

The search for larger markets

The US was successful in establishing a liberal global economic regime and Western Europe had been revived and embedded within this system. The issue

¹⁷ Indeed if there was a postwar forerunner to the EEC it was the Benelux Customs Union agreed in 1947 and established in 1948. As Forsyth (1981: 177) remarks, 'it is hardly surprising ... that it was the smaller states of Europe, those that felt their lack of size even within Europe itself, that provided the prototype of modern, twentieth-century economic confederation'. For a discussion of early regional efforts in the postwar trading system see Brusse (1997: Ch. 2).

thus became how best to respond to this new reality. It was, in a sense, a return to the dynamic that Carr (2001 [1939]: 51-7) had observed in the nineteenth century, where the economic policy being promoted globally by the most powerful state, despite being presented as an inherent good, was a policy that served the interests of that state. As Calleo (2001: 92) notes, 'Europeans were fearful that American globalist plans for liberal trade and capital movements would hobble their own national policies for postwar transformation'. There was also a regional dimension to the turn towards a confederation. With West Germany having regained almost all the characteristics traditionally associated with sovereignty 'France could no longer extract concessions from the UK and the United States by threatening to block Germany's recovery' (Dinan 2005: 65).

The dynamic that emerged in the mid-1950s was thus one in which France shifted to a more economic focus on its neighbour and West Germany remained committed to its policy of rapprochement with France. It was this combination of France's desire to guarantee her economic security and West Germany's calculated decision to prioritise the long-term goal of stable relations with its neighbours, and ultimately reunification, that provided the momentum for change. Following the bedding in of the EEC as the status quo in Western Europe, it was a balance between a France that was content to use the confederation for prestige and to enhance its power and a West Germany that was content to play the role of 'gentle giant' (Bulmer and Paterson 1996: 103).¹⁸

The negotiations to establish the EEC began in June 1955 at Messina and concluded by the end of 1957 as the six ratified the Treaties of Rome.¹⁹ The EEC

¹⁸ By 1955, as Milward (1992: 134-73) demonstrates, the geographical pattern of Western European trade had been firmly established. West Germany had re-established itself as the dominant economy in Western Europe with industrial output nearly doubling over 1950-55. West German GDP, foreign trade, and exports were all growing (Kramer 1990: 181, 183, 189). See also Wolf (1995).

¹⁹ The plural term 'Treaties' is accurate because the EEC was established alongside EURATOM. EURATOM was a continuation of the functional logic of the ECSC and provided for common policies on 'research, safety standards, supplies of ore and fuels, right of ownership in fissile materials, and international relations in the field of nuclear energy' (Majone 2005: 6). Majone goes on to observe that once EURATOM, the ECSC, and the EEC were merged through a treaty in 1967 it 'virtually lost its identity'. Despite this EURATOM was crucial during the negotiations

was formally established in January 1958. The initial impetus came from the trade-dependent Dutch, who were frustrated at the failure of trade liberalisation to proceed apace through the rather cumbersome OEEC (Brusse 1997: 143-84). In order for the proposal to gain traction, it required the support of the two dominant economies in Western Europe – France and West Germany.²⁰

West Germany was crucial given that its trade and economic interests stretched beyond the six potential partners. Within West Germany two outlooks clashed. Trade liberalisation was accepted as a general aim and the debate was thus about how that liberalisation should be accomplished, and on what geographical scale. Ludwig Erhard, the minister for economics, emphasised broad liberalisation preferably through the GATT. If a regional alternative was to be considered then, in Erhard's opinion, it should be a regional free trade area and nothing more. Adenauer and Walter Hallstein, state secretary at the foreign ministry, preferred the customs union proposal for a combination of political and economic reasons. On economic grounds Erhard had the better of the argument but, as ever, politics was central. Adenauer's commitment to the ongoing rapprochement with France meant crafting a solution that was satisfactory to his neighbour. Without an understanding of Adenauer's longer term goals and vision of West Germany's national interest, his decision to back the EEC becomes almost impossible to understand.²¹ West Germany was well-established as the economic pacesetter in Western Europe by the mid-1950s

over the EEC as the two were linked together in a package deal. At the time EURATOM was seen by France as the more important, and more desirable, of the two.

²⁰ The Benelux nations were so tied to both each other (through the Benelux Union established in 1950) and to the economy of West Germany that where it went they had to follow (van der Wee 1987: 358-59). Italy's primary concern at the time was to try and curb high unemployment through the avenue of free movement of labour among the six (Romero 1993: 32-58).

²¹ Moravcsik (1999: 137) himself concedes as much when he remarks that 'if Erhard had ruled Germany, the likely result would have been an Anglo-German Free Trade Association with no agricultural component, and the effects of economic exclusion would eventually have forced France to join'. If Erhard had been Chancellor it is certainly feasible that he would have found himself facing the same political pressures and Adenauer and the outcome would have been much the same. It will remain a counterfactual. What this does suggest is that commercial interests were not the primary factor here, but rather broader political considerations about the development of Western Europe.

(Eichengreen 2007: 93-97). For a state on the rise, as it were, the puzzle is why it was so willing to bend its interests to convergence with those of France. The answer lies in the nuanced realist understanding of Adenauer's pursuit of the national interest.²²

The bending of West Germany's interest was necessary given trepidation in France at the broad idea of trade liberalisation.²³ France was keen to establish EURATOM as a way of distributing the costs of nuclear energy programmes. Between Messina and the presentation of the Spaak Report in April 1956 EURATOM and the EEC were linked in a package deal.²⁴ Through the subsequent negotiations France was able to play on its well-known domestic difficulties to extract several significant concessions from the other five (Dinan 2005: 71-76).²⁵ The two most significant were the Common Agricultural Policy (CAP) and the association agreements for the overseas territories of EEC members.

The CAP was absolutely critical to French interests and was a major contributor to making the EEC more palatable to the French public. France was not alone in pushing for economic protection for agriculture. Italy and the Netherlands were both exporters of a range of agricultural goods and West Germany, much like

²² Willis (1968: 270) observed that 'the final attitude of Erhard and German industry was one of resignation to political necessity and to the tactical subordination of economic interests to foreign policy'.

²³ As Marjolin (1986: 281) put it: 'The issues raised by the creation of an economically united Europe had to be settled in Paris, in a series of clashes between the adherents of liberalism and those who consciously or unconsciously, overtly or covertly, advocated a France closed to Europe and the world'.

²⁴ The Spaak Report (1956: 23-24, 40, 44), that would form the basis for the Treaties of Rome, called for a large common market to facilitate mass production and for moves in the direction of a customs union over several transitional periods. Institutionally it stressed the need for formal institutions to monitor the common rules and joint actions of the common market. Agriculture, and perhaps services, would have to be included and there would be 'a need to override the unanimity rule, in defined cases, or after a certain period'.

²⁵ The initial response to the Spaak Report in France was negative (Marjolin 1986: 284-307). Marjolin (1986: 285) recounts the reaction at the first Cabinet meeting to consider the Report: 'All were against, except Bernard Clappier'. Clappier had been *Chef de Cabinet* to Schuman during the drafting the ECSC Treaties in 1950. Within France, pointed opposition came from the former Prime Minister Mendès-France who criticised the proposal for its liberal tendencies and its lack of democracy. The French communists were also critical, seeing in the proposal the hand of US capitalism and a disproportionate gain for West Germany (see Marjolin 1986: 293; Willis 1968: 262-63).

France, had its own set of uncompetitive farmers who demanded a system of price controls. Once 'the immediate postwar production crisis had been overcome, the nature of the agricultural problem shifted. By 1955 ... the issue was how to keep food prices up for farmers while holding them at a reasonable level for consumers' (Judt 1996: 21). The problems were more pronounced in France and French insistence on the policy was enough, given the desire of the other five to secure the other provisions of the EEC, to win the day.²⁶ The CAP was phased in over 1964-68 and caused some turbulence as will be shown below. The inclusion of association agreements for the overseas territories of EEC members was another concession to French interests (the Belgians were also staunch advocates of such arrangements) and another triumph of politics over economics in West Germany (Irving 2002: 128-29).

In the final analysis France's calculation over the EEC was well summed up by Lynch (1997: 182): France joined 'to avoid isolation in foreign policy and to guarantee France's economic security by tying [West Germany] ... to Western Europe'. Domestic politics certainly facilitated French acceptance of the EEC with the 1956 elections significantly reducing the representation of Gaullist members of the National Assembly (Grosser 1980: 127). But there were political motivations operating at a larger scale. While the intricacies of the economic trade-offs in the negotiations were highly complex and can be traced back to numerous contingent factors, the grand bargain at the foundation can be well captured by realist logic. The 1950s had seen France under-perform, relative to West Germany, economically (Eichengreen 2007: 100-12). It remained an agrarian and industrially backward state with considerable protective measures shielding its industrial base from international competition. There was recognition, domestically, that increased competitiveness and structural reforms to the economy were necessary but there was also recognition that this

²⁶ Putting it bluntly but accurately Judt (1996: 22-23) remarks that 'the true function of the Common Agricultural Policy is thus political, not economic ... [It was] a fortuitous outcome of separate and distinctive electoral concerns, economic interests, and national political cultures, it was necessary by circumstance and rendered possible by prosperity'.

would be more easily accomplished within a customs union than within a free trade area (Lynch 1997: 176).

The two key concessions to French interests – the CAP and the association agreements – alarmed the US, who feared the economic implications. The protectionist CAP did create an early dispute, the so-called ‘Chicken War’, over the increased tariff applied to poultry once it fell behind the wall of the CAP (Zeiler 1992: 136-39; Alkema 1999). From that point forward ‘agricultural disputes became a fact of life in a ... relationship driven by broader political and economic interests’ (Dinan 2005: 97). Such disputes were demonstrative of the ability of Confederal Europe to defend its interests within the global economic regime, a capability that would be hard to imagine had the six been acting individually.

Beyond these agricultural disputes, Confederal Europe was able to act with more autonomy within the global economic regime generally. The first manifestation of this was in the Kennedy Round of the GATT (1964-68) in which the US, after an attempt to set the agenda through its Trade Expansion Act, had to compromise with an EEC that for the first time negotiated as a single entity.²⁷ The days of US dominance within the GATT had come to an end as a logical result of Western Europe’s shift towards confederation (Zeiler 1992: 183-256). Over several decades, trade has taken its place ‘at the very core of the ... civilian power’ of Confederal Europe (Meunier and Nicolaidis 2011: 276). The size of the market, which has grown ever larger through rounds of enlargement, and the ability to extend internal regulatory policy and thus shape global regulatory standards is one of the most significant ways in which Confederal Europe has been able to exert control over its environment and act autonomously from the US. While the EEC was not, during this period, capable of exercising agenda-

²⁷ The internal dynamics of the EEC during the lead up to the Kennedy Round reflected the dominance of the France-West German bilateral. In exchange for West Germany’s agreement that Confederal Europe would hold the line against a global effort to liberalise trade in agriculture (and thus an agreement to advance France’s interests), France agreed that Confederal Europe would push for tariff cuts on industrial products (and thus advance West Germany’s interests).

setting power in the global trade system, it was capable of harnessing the collective economic weight of its members to defend collective interests (Young 2011).

The UK, France, and the struggle for Western Europe

The UK had remained aloof from the ECSC, the EDC, and the EEC on account of their supranational elements.²⁸ The place of the UK in the economic structure of Western Europe is fascinating insofar as it represents a miscalculation of the national interest. For the UK the outlook of key policymakers, and thus the national outlook that set in, was misguided. As Milward (2003: 177-264) notes, it was characterised by a nostalgia for the past, a belief in the ongoing viability of the Commonwealth as a key trading partner, and an overall rigidity. Confronted with Confederal Europe, the UK's strategy was to advocate for a looser arrangement that did not involve a common external tariff and the associated common commercial policy. What they proposed was a broader free trade area, much like Erhard did. The UK attempted to use the OEEC to this end and established a committee within the organisation to come up with the proposal. It represented a genuine threat to the logic of the EEC as it proposed the absorption of the EEC, as a single economic unit, into the broader OEEC free trade area (Ellison 2000; Giaque 2002: 47-76). Later, once the EEC had formed, the UK responded by taking the lead in establishing the rival European Free Trade Area (EFTA), thus creating what Benoit (1961) called the 'Europe of Sixes and Sevens'.²⁹

²⁸ Denman's (1996: 198-99) precise quote, as an observer of the developments: 'The future treaty which you are discussing has no chance of being agreed, it would have no chance of being ratified; and if it were ratified, it would have no chance of being applied. And if it were applied, it would be totally unacceptable to Britain'. The UK did send a delegate to the Spaak Committee but he quickly left.

²⁹ The Seven were the UK, Austria, Portugal, Norway, Sweden, Denmark, and Switzerland. EFTA was finalised on 20 November 1959 and signed in January 1960.

The UK's actions over 1957-60 put its interests in direct opposition to French interests. France was opposed to a free trade area in which liberalisation of trade might develop too rapidly. Lynch (1997: 110-25) has chronicled the debate in France during this period between trade liberalisation and protection. The option of a customs union with a common external tariff was preferable to France as it would give them the ability to liberalise partially and open the economy to just five other Western European states.³⁰ Beyond economic calculations France was also more amenable to the customs union because it had been inextricably linked, during the negotiations of 1955-57, with the EURATOM Treaty, which the French desperately wished to see come into force. Dinan (2005: 90) captures the essence of the choice that faced de Gaulle when he returned to power in 1958: by pursuing the larger free trade area through the OEEC he could kill the EEC or he could, 'by killing the free trade proposal ... demonstrate his commitment to the EEC'. The General followed the latter course.

The UK pinning their hopes for the success of their OEEC initiative on the collapse of the French Fourth Republic and de Gaulle's return was a very questionable strategy. The General's known aversion to supranationalism and anything even suggestive of an erosion of French sovereignty was the card that the UK thought it had. But de Gaulle 'saw the issue as a power struggle between France and Britain over who should control the economic development of Europe, and thereby of France' (Lynch 2000: 134). The holder of the balance in this struggle was West Germany. For the UK the battle was lost in September 1958 when de Gaulle met Adenauer for the first time and persuaded him of 'his devotion to the reconciliation of their two peoples, to the economic unification of the Six, and to the association of Britain and others in the work of integration' (Willis 1968: 279). Securing the support of West Germany, and thus the power to ensure French control triumphed over UK control, involved de Gaulle having to 'restore the convertibility of the franc and honour France's obligations to

³⁰ In a detailed paper written at the time Miriam Camps (1959: 36) observed that 'the opposition of French industry to a free trade area was fierce and articulate'. She went on to remark that 'virtually no one in France saw any appreciable economic advantage in the arrangement'.

both the OEEC and the EEC' (Lynch 2000: 135). These were prices worth paying to secure the political leadership of the Six and the exclusion of the UK.³¹

The balance of interests in the Western European system was working against the UK. Those Western European interests had been forming in a new context of nearly a decade of closer cooperation and a move towards supranationalism from which the UK had remained aloof. The previous section demonstrated the congruence of interests between France and West Germany. The French had negotiated the best deal that they could with the other five; West Germany's national interest remained that of Adenauer and Hallstein and not that of Erhard; and the smaller Western European states were too tied to trade with their larger neighbours to break from them in any meaningful way.

There was also an outside factor at play in shaping these developments, namely the US. The US had to consider the economic implications very carefully given the broad nature of the EEC proposal and the number of sectors it covered. A report by the US Council on Foreign Economic Policy concluded that the EEC was broadly a net positive because it would modernise the participants' economies and 'result in Europe's becoming a better market for United States exports' (*FRUS* 1955-57, Vol. 9: 24-25). By 1957 the key policymakers in Washington had resolved to support the EEC as 'on balance in accord with United States policy objectives' (*FRUS* 1955-57, Vol. 4: 553). In the simplest terms, all such arrangements in Western Europe – free trade or customs union –

³¹ It must not be forgotten that the context in which de Gaulle came to power and in what France had to choose between the competing options was economically dire. France was stretched financially by the campaign in Algeria and its balance of payments had swung into deficit in the second half of 1957. The commitment to liberalise trade enshrined in the Treaty of Rome that it had signed was looking improbable given the establishment of import controls and the devaluation of the franc that took place in mid-1957. The EPU and the US had also signalled an aversion to providing support unless the French economy could be stabilised. France was thus faced, in mid-to-late 1957 the prospect of having its autonomy, both domestically and internationally, significant curtailed. Diplomatic manoeuvrings over 1957-58 were complex and have been well detailed (Lynch 2000). French failings in the negotiations over the OEEC-based free trade area led to France having to make the concessions on the franc and a large portion of its earlier trade liberalisation commitments to the OEEC in order to secure West German support and preserve the autonomy of the EEC.

were discriminatory against the economic interests of the US.³² In an ideal world the US wanted as many of its Western European NATO partners as possible to be economically integrated. In this way the geopolitical advantages of a stable and integrated partner could be traded-off against the potential economic discrimination (Winand 1993: 114-21). The EEC thus possessed a political logic that resonated in Washington (Eckes 1995: 178-218). The UK's proposals, whether through the OEEC or in the form of EFTA, lacked that political logic rendering them far less appealing to the US.

These developments demonstrated the marginal position that the UK found itself in vis-à-vis Western Europe, the inherently political dimension of Confederal Europe, and the importance of the France-West German tandem in shaping developments. The UK's place outside of Confederal Europe, with the implications that had for market access and FDI flows, quickly became untenable. Within a year of founding EFTA, the UK was applying for membership of the EEC. But it was doing so from a position of weakness, a position that its miscalculation of the national interest had created.

The UK's first application was submitted in July 1961.³³ The motivation has been well captured by Mattli (1999: 83-84) and essentially comes down to economic interests. The almost parallel establishment of the EEC and EFTA generated a significant amount of FDI, but it was disproportionately funnelled into the EEC. Furthermore there was a reorientation of the existing flow of US

³² A detailed collection of papers (Heller and Gillingham 1996) demonstrates that the attitude of US business was not coherent on the issue of the EEC. There was a concern that the EEC was premised on favouring trade within the confederation than trade without. But there was also recognition that a larger and more integrated Western European market would facilitate FDI and economies of scale for US multinational corporations, especially the US oil and car companies that already had a presence on the continent. George Ball, Undersecretary of State for Economic Affairs, penned a memorandum to Kennedy that set out a clear rationale for US support of the EEC (*FRUS* 1961-63, Vol. 13: 32-8). The best econometric analyses show a clear net positive effect of the EEC on growth (see Eichengreen and Vasquez 2000; Frankel and Romer 1999). It also had the undoubted effect of drawing the EEC states closer together in terms of their trade. In 1955 intra-EEC exports represented 32% of total EEC exports. The figure was 49% by 1970 (IMF *Direction of Trade Statistics*, various years). Balassa (1975) has shown that the trade creating effects of the EEC more than compensated for the trade diversion it triggered.

³³ It was joined by two states whose economies were very closely linked to the UK economy: Ireland and Denmark. Shortly thereafter Norway submitted its application.

FDI away from non-EEC states towards the Six (Yannopoulos 1990).³⁴ The motive for the second UK application of May 1967 was 'continuing poor economic performance relative to that' of the six (Mattli 1999: 84).³⁵ The UK did not secure EEC membership until January 1973 and the reason for this long wait can be attributed to one man: de Gaulle. The UK knew that France, and specifically de Gaulle, held the key to their application (Deighton and Ludlow 1995: 107-13). Moravcsik (2000b) has argued that de Gaulle's veto can be attributed to his fear for the CAP and what UK entry may have meant for the price of French wheat. Dinan (2005: 101) also remarks, rightly, that although

de Gaulle was able to pressure or cajole current member states to accept his agricultural proposals, he would have faced formidable ... opposition if Britain, with its radically different agricultural interests and considerable political clout, acceded ... before the CAP was fully in place.

But emphasising CAP as a narrow issue paints only a partial picture. De Gaulle was determined to restore France to a position of power in the global system and he saw Europe as a means to that end. Hoffmann (2000: 69) observes that for de Gaulle, 'economic modernization was essential for France's *grandeur*. It was part and parcel of his overall geopolitical design. The military might have been the "backbone" of the "skeleton", but economic strength was the ribcage'. Wealth and power were, in effect, two sides of the same coin. Economic power was necessary if de Gaulle's vision of a European Europe, led by France, was to have any prospect of emerging. The game, from de Gaulle's perspective, was about finding something in the French economy that could balance the industrial might of West Germany. The CAP 'was to give France an agricultural *force de frappe* comparable to West Germany's industrial might' (Hoffmann

³⁴ The free trade that the UK could enjoy with the EFTA-Seven was simply not sufficient, as an industrial export market, to meet the UK's needs.

³⁵ Realists caution that failure to appreciate the national situation, or the adoption of a reckless national outlook, will create a national interest that is to some extent false, or misguided. There is no scientific barometer of this but prudent judgment is required. A failure to correctly determine what is in the national interest will lead to losses for the state concerned. This is precisely what happened to the UK as it languished outside of Confederal Europe for over a decade (1961-73).

2000: 70). Separating the narratives and putting all of the explanatory chips on narrow commercial interests, stripped of a broader political context, is nonsensical. It does not bring us closer to a full understanding of these power political dynamics; it takes us further away from it.³⁶

In short, the UK miscalculated severely over 1955-57 and permitted the development of a confederation under the political leadership of the French. For the next decade a France led by a statesman with the outlook of de Gaulle saw a compelling national interest in keeping the UK out of the confederation. De Gaulle did this to preserve the balance that had been struck between France and West Germany and in order to ensure that the policies agreed to, policies that furthered the French national interest, were properly bedded in.³⁷

Europe of States vs. Confederal Europe

De Gaulle was prepared to thwart the business of the confederation to ensure that those interests were secured. The infamous 'Empty Chair' crisis and the subsequent Luxembourg Compromise are well-known episodes in the history of postwar European integration. From a realist perspective, they are symbolic of two things. First, they symbolise the power of France within the new European structure and can be understood as the pursuit of French national interests.

³⁶ Not only that but it jars against a wealth of historical literature focused on de Gaulle (see Newhouse 1970; Hoffmann 1973; Kolodziej 1974; Harrison 1981; Gordon 1993). All studies stress, in one form or another, the interdependent nature of de Gaulle's concern for the viability of the CAP and his broader geopolitical vision.

³⁷ It must be noted, briefly, that West Germany did nothing to support the UK and did not overtly challenge de Gaulle's move to block entry (Irving 2002: 139-43). This was further revealing of the logic of Western Europe at the time: the UK and West Germany were simply not each other's major partners or major concerns. For both the relationship with the US was of greater importance and for West Germany so too was the relationship with France. Macmillan's relations with both Adenauer and de Gaulle were poor during the period (Horne 1989: 32-34) and while Adenauer was happy to encourage the UK into the confederation, he was resigned to the centrality of the France-West German bilateral relationship by the 1960s (Ludlow 1997: 237). The UK was thus pushing against strong and unified opposition. The second application was little different and Willy Brandt, foreign minister in Bonn at the time, has remarked on broader concerns that the UK wanted to join so that it could exert leadership (Brandt 1992: 420).

Second, they symbolise the first coming to a head of the issue of the vertical balance of power within Confederal Europe. A confederation is the sum of both its distinct institutions – in this case the Commission, the Parliament, and the Court – and its members (i.e. the six states of the EEC). While the horizontal balance of power between the states is one crucial element of its development, the vertical balance of power is also crucial. With Hallstein as president from 1958-67 the Commission had a staunch advocate of shifting the balance of power from the states to the confederal institutions. Hallstein moved, in January 1965, to amend the procedure for approving the annual budget of the EEC in such a way as to enhance the power of the EEC's Commission and Parliament, and curtail that of the Council (Camps 1966: 29-80).³⁸ Given de Gaulle's tactics during the 1960s, it was perhaps unsurprising that 'even the Commission ended by playing the General's game' (Hoffmann 1966: 898).

Hallstein's proposal was attached to a budget proposal that was already delicately balanced between the interests of the Member States, thus making it difficult to present a unified challenge (Moravcsik 1999: 193-94). De Gaulle took the initiative by refusing to 'stop the clock' as it were and instituting an effective boycott of the Council.³⁹ What came to be called the Empty Chair Crisis saw business at the highest level of the EEC grind to a halt for seven months. It was a clear example of France exerting its power within the confederation to ensure that it developed in a way that was amenable to their national interest. That interest was coloured by the desire to preserve as much autonomy as possible and to ensure the balance between the states and the EEC institutions remained heavily tilted in favour of the former. These developments were symptoms of the sort of tensions that animate confederations.

³⁸ Essentially, the proposal was to grant the Assembly the power to amend the budget and then refer it back to the Commission and the Council. If the Commission concurred with the Assembly then the Council could only override those two bodies with a supermajority of 83.3% (or five-sixths). If the Commission amended the Assembly's proposals then the Council could endorse those amendments with a supermajority of 66.6% (or four-sixths).

³⁹ 'Stopping the clock' refers to the standard practice at the time in the EEC of simply stopping the clock when negotiation deadlines were reached.

De Gaulle's challenge was also related to the delicate position of CAP financing. The issue was of particular sensitivity (Moravcsik 2000b). But the notion that de Gaulle's opposition to a power grab by the Commission was somehow a stance taken on principle, whereas concern over CAP funding was a stance taken on interests – with the latter important and the former cosmetic – is false. On CAP funding there can be little doubt that de Gaulle saw a national interest, having pushed so hard for the CAP as part of the original bargain leading to the Treaty of Rome, in securing a viable funding mechanism for it. Yet De Gaulle's opposition to the Commission's move to further entrench supranationalism and strengthen its position in the confederal architecture was not merely a point of principle.⁴⁰

It was necessary to further the broader, grand designs that de Gaulle held. De Gaulle had, in realist terms, his eye on three balances of power: a horizontal balance of power in Western Europe, a vertical balance of power in Western Europe, and the balance of power in the global system. His grand strategy was best served by keeping the UK out of the EEC and maintaining political leadership of the France-West German tandem (thus securing France's primacy in the horizontal Western European balance); by keeping the Member States strong against the EEC institutions (thus preserving state primacy in the vertical Western European balance); and by bringing the other five EEC members into line behind France's political leadership (thus allowing a French-led Europe to play a key role in the global balance of power).

De Gaulle's press conference of 9 September 1965 took aim at Hallstein and the Commission and represented 'a fundamental attack on the Community method'⁴¹, on those innovations that set it apart most sharply from traditional international organizations, and as a warning that there would be no

⁴⁰ Majone (2005: 205) puts it quite bluntly: 'the real issue at stake, however, was not so much agricultural policy or budgetary authority, but the planned move to QMV in the Council ... which de Gaulle saw as an unacceptable assault on national sovereignty'.

⁴¹ The Community method was established in the Treaty of Rome and refers to the process whereby the Commission retains the sole right of legislative initiative and the Council votes on legislative proposals (the type of vote varying depending on the policy area). Increasingly the Assembly (later the Parliament) grew to have a role alongside the Council.

resumption of French participation' until changes were made (Camps 1966: 84). The French subsequently proposed a thorough recasting of the Treaty of Rome to curtail the role of the Commission. Once again, de Gaulle was guilty of overplaying his hand. While the other Member States were no more enamoured with Hallstein's 1965 move than de Gaulle was, they 'had no intention of renegotiating' the treaty and 'they would not succumb to de Gaulle's blackmail' (Dinan 2005: 106). He was also reigned in by the resonance of the issue in French domestic politics.⁴²

The settlement that was reached was a significant blow to the idea of shifting the balance of power in favour of the confederal institutions. The Luxembourg Presidency of the Council accepted the French claim that 'where very important interests are at stake ... discussion must be continued until unanimous agreement is reached' within the Council.⁴³ The text of the Compromise was coupled with recognition that, between the six, there existed 'a divergence of view' as to 'what should be done in the event of a failure to reach complete agreement' (Camps 1966: 112). It effectively ensured that whenever a state felt that a national interest was under threat by a Commission proposal they could veto it. As 'national interests are notoriously difficult to define, and "very important" is an imprecise criterion', the Luxembourg Compromise 'gave obstinate Member States a means of perpetuating unanimity in Council decision making, a practice that became widespread in the recessionary 1970s' (Dinan 2008: 1129). It was a resounding victory for the Europe of States, marshaled

⁴² The issue trickled down into domestic French politics and played a significant role in the French presidential election of December 1965. De Gaulle's obstructionism and EEC politicking was a significant weakness for him during the campaign as so many French businesses and farm groups had already adjusted to the realities of the EEC and did not wish to see it threatened. Monnet, close to Hallstein and of a similar mindset regarding the balance of power between the Member States and the EEC institutions, endorsed de Gaulle's opponent Jean Lecanuet and there was an active attempt to make 'Europe' an issue in the campaign.

⁴³ Full text of the Luxembourg Compromise is available at <http://www.eurotreaties.com/luxembourg.pdf>, accessed 7 July 2012. Despite being a vital development in the history of Confederal Europe and a significant reassertion of the primacy of European states and their sovereignty, the Compromise was never codified in a treaty and is contained solely in a press release. It is symbolic of the importance of powerful states and their interests in shaping the nature of European integration and the relationship between the confederation and its constituent members.

and led by France, over Confederal Europe. It played directly into the perpetuation of the internal dominance of France and West Germany who increasingly, through the 1970s, arrived at conclusions ahead of Council meetings and presented them as *fait accompli* (Simonian 1985).

3. Conclusion

This chapter presented a classical realist analysis of the development of Confederal Europe, and the tension between it and a Europe of States that re-legitimised itself in the postwar era. Confederal Europe did not emerge immediately after World War II. Rather it emerged after a gradual process of reconstruction, with significant assistance and support from the US, and a decade of functional experimentation. Such experimentation marked the beginning of a rapprochement between France and West Germany. However, and this is crucial, the rapprochement did not naturally arise as a result of transformed identities. West Germany was economically revived because the US demanded that it must be. France was thus left with little option but to engage in a rapprochement with her neighbour. The institutional form of that rapprochement, initially functional and later confederal, exhibited a binding logic. France bound West Germany into a European economic structure over which France, in the absence of the UK, could exert political leadership. The long-term national interest of reunification, and the derivative need to foster good relations with her neighbours, led to a willingness to be bound into such structures on the part of West Germany. There was thus a complementarity of interests between the two most powerful states in Western Europe. But the instigator of the movement toward rapprochement was an outside power, the US. Over the following decades France and West Germany developed a pattern of managing the Western European balance of power through the binding arrangement that they established in the early 1950s. When the balance seemed to be shifting towards West Germany – in 1950-51 and 1955-57 (and this continued) – France would attempt to harness ‘Europe’ to bind West Germany.

The internal logic of Confederal Europe was supplemented by a compelling external logic. The logic was, in a way, simple. Western European states, having to operate in a global economy that was shaped and dominated by the US, would be able to secure more autonomy from the US, and project power into the global economic system more effectively, if they worked together. The search for larger markets pushed the original six to confederate and they were immediately able to exert more power in the global trade system than they could have acting individually. While never possessing sufficient power or coherency to set the agenda of the global trade regime, they were able to defend their interests effectively and at times in the face of US opposition.

The relationship between Confederal Europe and the Europe of States from which it was formed was a crucial one. The vertical balance of power within this arrangement remained, throughout, stacked in favour of the states. Attempts to move in a genuinely federal direction had come to naught and de Gaulle revealed the degree to which the Europe of States could arrest development within the confederation. At the mass level, however, this period was characterised by a permissive consensus, amongst the citizens of nation-states, towards Confederal Europe. Integration did not enter the domestic political realm in any significant way. The issue was not, to put it simply, politicised. National leaders and policymakers were thus operating in an environment largely insulated from public scrutiny.

The complementarity of a prestige-seeking France and a tamed West Germany, along with the existence of such a permissive consensus, represented two fundamental elements of the system. These sit alongside a desire to project power externally and carry collective economic weight in the global system as the foundational components of Confederal Europe.

CHAPTER 6

CONFEDERAL EUROPE AND THE EUROPE OF STATES, 1969-2007

The purpose of this chapter is to continue to explore the development of Confederal Europe, and its coexistence alongside the Europe of States, since 1969. The dividing point of 1969 is not an arbitrary one. The year represented a crystallising moment in the Western European balance of power. It was a moment at which the reality of West German power became apparent. Two key manifestations of this were West Germany's monetary strength, and the new policy of Ostpolitik already discussed. It is no coincidence that, in the aftermath of this crystallising moment, a new French president moved quickly to secure the admittance of another large state – the UK – to the confederation. It was a predictable and logical move deriving from balance of power considerations. However the centrality of the Franco-German relationship, and the tendency of the two to manage the European balance through a binding strategy, prevailed. Although the UK joined the EEC in 1973, it did not herald the start of a new form of balance of power system within the confederation.

The confederation stuttered considerably through the late 1960s and the 1970s – a period summarised by its well-known descriptor 'Euro-sclerosis' – before the converging preferences of its leading members ushered in a new burst of activity with the Single European Act (SEA). These years were demonstrative of the logic of diversity that could just as easily dominate Confederal Europe – and thus hinder its progress – as could the logic of unity. But the defining feature of the period was the end of the Cold War and the reunification of Germany. It was a pivotal moment for the postwar European system. Although 1989-91 did not

herald a significant shift in the nature and the logic of Protected Europe, it had profound implications for Confederal Europe and its relationship to the Europe of States. Having attained its national interest, namely reunification, a stronger and more dominant Germany quickly began to shrug off its tamed power orientation. Germany normalised and began to behave much like any other state, pursuing narrower national interests within and through the confederation. This undermined one of the foundational blocks of the postwar European system, namely the dynamic in which France provided political leadership to Confederal Europe and Germany supplied the economic power required to underpin that leadership.

In parallel to the normalisation of Germany there was a significant shift in the relationship between Confederal Europe and the Europe of States at the level of the mass citizenry. The ability of European leaders and policymakers to further integration largely free from public scrutiny, and in a relatively de-politicised way, was replaced, starting in the late 1980s and intensifying subsequently, by a politicisation of the process. Politicisation was caused, in large part, by an extension of the competences of Confederal Europe into new and more salient policy spheres. Such extension of competence raised the legitimacy question. Negative integration and fairly technical regulatory measures, the type of activity that had characterised Confederal Europe up to the late 1980s, could rest on a relatively narrow base of legitimacy. As the gap between competences and legitimacy widened it caused a systemic tension that remains largely unresolved. Thus a second foundational block of the postwar European system, the permissive consensus of the masses, also weakened considerably during this period.

In keeping with the previous three chapters, this chapter proceeds in a largely chronological way. The first section analyses the shift from Eurosclerosis to the SEA. It demonstrates how a logic of diversity saw Confederal Europe unable to respond to turbulence in the global economy. Internally, however, tentative progress was made on monetary cooperation, thanks in part to the ongoing process of managing the European balance undertaken by France and West

Germany. The rise of rival economic powers in the late 1970s and 1980s, and the need to secure Western Europe's position in the global economy, triggered a convergence of interests culminating in the SEA. The SEA was driven, almost entirely, by the external logic of Confederal Europe. Having signed the SEA, Western Europe was quickly hit by a huge exogenous shock in the form of the collapse of the Soviet Union and the Cold War structure, bringing forth the prospect of a reunified Germany. The second section turns its attention to the management of this exogenous shock and demonstrates the internal and the external logic of Confederal Europe. The internal logic saw a strengthened Germany once more bound. The external logic saw Confederal Europe project its economic power both to control the development of a Central and Eastern Europe freed from Soviet domination, and to shape the agenda in the global trade regime. However, despite this, the 1990s and 2000s witnessed the erosion of two of the cornerstones of the postwar European system: a tamed, Europeanised Germany and the permissive consensus of the masses. In their place have emerged a normalised Germany, and a constraining dissensus that has developed in parallel with a politicisation of European integration. Both developments pose fundamental challenges to the functioning of Confederal Europe, and its relationship to the Europe of States.

1. From Euro-sclerosis to single market, 1969-87

1969 was a watershed year in the development of postwar Western European politics. It was a year that symbolised a decisive shift in power from France to West Germany. Two developments were particularly indicative of this shift. The first was the 11.1% devaluation of the franc in August, the end result of nearly a decade of French challenge to the global monetary regime, a challenge that was unsuccessful (Eichengreen 2007: 238-42).¹ The monetary 'manoeuvring

¹ A central component of de Gaulle's attempt to gain a role for France on the global stage was in the realm of monetary politics. Annoyed at the 'exorbitant privilege' that the US possessed – in being able to issue depreciating dollars to fund foreign investments – de Gaulle mounted an ever more aggressive campaign to undermine the dollar's position at the heart of the global monetary

confirmed the Bundesbank as the toughest monetary institution on the international scene, in charge of an economy that had reemerged as Europe's powerhouse' (Marsh 2011: 56). The second was the emergence of a more assertive and distinctive West German foreign policy in Ostpolitik.² In response to these developments France put (policy) deepening and (geographic) widening of Confederal Europe on to the agenda at The Hague Summit of 1969. It was a point of departure for Confederal Europe that set the tone for much of the next two decades. Once again the principal dynamics were a desire to manage the growing power of West Germany within Western Europe, and to secure autonomy from the US and project power into the global system. France's decision to reverse course and accept UK entry was central to the former goal. The decision to press ahead with various forms of monetary cooperation was central to both goals. An incredibly turbulent decade spanning 1973-84 ultimately gave way to a period of convergent interests amongst the key actors within the confederation and set the stage for the SEA.

UK accession and the launch of EMU

1969 brought the era of de Gaulle to a close, and also the period of CDU government in Bonn. De Gaulle and Kurt Kiesinger were replaced by Georges Pompidou and Willy Brandt, the latter the first postwar social democrat

system. He helped to bring down the monetary order established at Bretton Woods by selling France's excess dollars for gold thus straining the gold/dollar convertibility of \$35 per ounce. As with other facets of his challenge to US supremacy de Gaulle was dependent on West German support. That support was not forthcoming as West Germany prioritised their allegiance to the US over any allegiance to France. De Gaulle ran a parallel campaign to undermine the stability of sterling but this had failed by late 1968. The foreign exchange markets then turned on the franc creating a desperate need for devaluation that de Gaulle was too stubborn to undertake. It was left to his successor, Pompidou.

² Ostpolitik was not a fundamental alteration of West Germany's long term national interest in reunification; it was merely a change in tactic with the ultimate goal remaining. The view, in Bonn, was that West Germany's key partners were less than fully committed to reunification and thus a strategy of engagement with Central and Eastern Europe was embarked upon.

Chancellor.³ Upon assuming the French presidency Pompidou called his EEC partners together at The Hague Summit where the main agenda items were enlargement, the CAP, and stirrings on EMU. A number of budgetary and institutional decisions were taken at The Hague (Dinan 2005: 130). By far the most significant developments were those pertaining to possible UK membership of the EEC, and the commissioning of Pierre Werner, the prime minister of Luxembourg, to complete a report on the development of EMU.

At the very end of de Gaulle's term of office there was glimmer that the General might have been about to soften his stance on UK membership. But the Soames Affair, a rather trivial (in the grand scheme of things) development, was symbolic of the 'degree of mistrust which characterised Anglo-French relations during the de Gaulle-Wilson years' (McAllister 1997: 43). It thus fell to Pompidou to clear the ground. Conscious of the shifting balance of power, realist logic might anticipate an attempt by the French to balance the rising power of West Germany, and to hold on to as much control of the Western European system, and the confederation, as possible. It is thus far from surprising that Pompidou, himself a Gaullist, had a conversion on the question of UK membership. Of course the final settlement of the issue of EEC own resources, and by extension the issue of CAP funding, helped to solidify France's position. But Pompidou's deep suspicion of Ostpolitik (Dinan 2005: 144) and his ability to 'read balance sheets' (Marsh 2011: 56) were the deeper motivations. The calculation remained, for the UK, much the same as it was during the 1960s.

In West Germany there had been a shift in the national interest away from the Hallstein Doctrine towards Ostpolitik but Brandt, conscious that this would cause alarm amongst his neighbours, and needing to balance Ostpolitik with the ongoing commitment to stable relations with European neighbours, backed

³ Before leaving de Gaulle himself recognised the shift in power, remarking to Kiesinger that 'France has a certain hesitancy and caution regarding Germany's economic strength, as it does not wish to be inundated by German industry ... In France there is nothing to compare with the enormous complex of the Ruhr or the former Silesia ... In industry and trade Germany is in the lead' (quoted in Marsh 2011: 55).

enlargement.⁴ It was a complex balancing act between the three in which the UK was used by France to balance West Germany, and by West Germany to demonstrate to France its commitment to the confederation and its willingness to check its own power. Alongside Britain, Ireland, and Denmark also joined the confederation on 1 January 1973.⁵ An Anglo-French alliance never truly formed however. The UK became an awkward member of the confederation, with an extensive re-negotiation of its membership terms, a five year battle over its budgetary contributions, and a refusal to fully engage with various developments on the monetary policy front characterising its engagement through to the mid-1980s (Ludlow 1982: 27). France and West Germany had several decades of practice at postwar cooperation and path dependency favoured a continuation of that dynamic.

The more significant attempt to deal with the rising power of West Germany was in the monetary realm, and it represented a triumph of Franco-German management of the European balance over older forms of alliance-based balancing. Pompidou's commitment to press ahead with EMU on the back of The Hague produced the Werner Report of 1970.⁶ But this move also had a crucial external dimension to it. There was agreement between France and West Germany that some measure had to be adopted that might insulate Western European currencies from the growing instability of the dollar. It was in the interests of West Germany to support such a move given that increasing turbulence in the global monetary regime had triggered significant tensions between France and West Germany during 1968-69. This threatened one of the central aspects of the Bonn's foreign policy since 1949. This had become ever

⁴ Brandt remarked, at The Hague, that 'those who fear that the economic strength of the Federal Republic could upset the balance within the Community should favour enlargement for this very reason' (quoted in Marsh 2011: 57).

⁵ Norway, a fourth state that had engaged in membership negotiations, rejected membership in a referendum. The closeness of the Irish and Danish economies to the much larger British economy made their parallel applications and accessions common sense. But these accessions did little to alter the balance of power within Western Europe. There were subsequent enlargements in the 1980s to take in Greece (1981) and then Portugal and Spain (1986).

⁶ The Werner Report set out rather ambitious plans for a three-stage move to EMU within a decade. It was endorsed by EEC heads of government in 1971 but no serious efforts were made to implement it (see Werner 1970).

more important in 1969, as a way of reassuring the French, as Brandt executed his Ostpolitik.

The dollar, the anchor currency of the global monetary regime, was becoming increasingly unstable as US administrations embraced inflationary policies and adopted a policy of benign neglect towards the dollars' role (Calleo 2001: 155-58). The resulting turbulence took numerous forms, including the formation of the Eurodollar market (Eichengreen 2007: 189)⁷ and disruption to the harmonisation of agricultural support prices, which was central to the CAP. The basic pattern was this: whenever confidence in the dollar waned then money would flow out of the US and disproportionately into West Germany. The result was a rise in the value of the deutschmark, thus undercutting export competitiveness, widening the gap between the exchange rates of Western European currencies and, crucially politically more so than economically, revealing the relative weakness of the French economy.

The move toward EMU, on the back of the Werner Plan, had therefore a compelling external logic, namely to reduce dependence on the US and susceptibility to fallout from policy decisions taken in Washington (Marsh 2011: 56-73). The immediate aim was to secure autonomy. Any possibility of establishing some form of European currency unit that could substitute for the dollar as a reserve currency, and project European monetary power into the global system, remained a more distant thought (Dyson 1994: 70).

EMU, in its first incarnation during the early 1970s, was ultimately unsuccessful because there was too great a degree of diversity in the economic preferences, performances, and outlooks of EEC members. West Germany and its currency were simply too strong for its Western European partners to keep pace with. Any notion of ensuring that the currencies of the other members moved within tightly drawn bands around the deutschmark was bound to fail in a climate of

⁷ The Eurodollar market was a huge offshore capital market that was unregulated. It quickly grew larger than the sums of foreign reserves in Western Europe and represented a large pool of cash that could be used for speculative investment activity. It directly undermined the fixed-exchange rate regime that had been nascent in Bretton Woods from the very beginning and had emerged fully in 1958 as Western European currencies became fully convertible into dollars.

divergent interests and domestic political pressures (Eichengreen 2007: 250-51).⁸ The UK was unable to support its membership for long. By mid-1973, following the collapse of Bretton Woods, plans for EMU were in tatters and what Western Europe had was a system of floating currencies, with a handful of them forming a de facto deutschmark bloc. Freed from the 'destabilising obligation to absorb excess world dollars, the Bundesbank could concentrate on increasing interest rates and reining in excess liquidity' (Marsh 2011: 71).

In turn, this meant that by the time of the oil crisis of autumn 1973 West Germany had established a predominant position in the anti-inflation stakes. Existing divergent interests between France and West Germany were thus stoked and any coherent EEC response to the oil crisis was rendered impossible. Hoffmann (1995: 121-22) was condemnatory of the EEC's failure on this front, remarking: 'Now⁹ that the agenda is filled with global issues, the West Europeans face it with a house that is not only not in order, but increasingly heterogeneous'. The EEC's failure to respond coherently to the oil crisis, a major event in the global economy, was symbolic of two continuing realities. The first was the potency of the Europe of States, in which pluralism and distinct national interests thwarted the promotion of a concerted, confederal interest. The second was the ability of the US to shape the foreign policies of Western European states; all, with the unsurprising exception of France, followed the US response (Hoffmann 1989: 29). In other words, 'Europeans, having discovered that their economic security [was] endangered by OPEC ... turned to the United States, just as they turned to the United States when they realized that their military safety was threatened by the USSR' (Hoffmann 1977b: 75).

In parallel to the failure to form a coherent response to the oil crisis, France signalled the end, to all intents and purposes, of EMU as it withdrew from the

⁸ The infamous 'snake in the tunnel' was used to describe the arrangement by which pairs of EEC currencies could fluctuate (and thus on a graph they appear to slither like snakes) within the broad Bretton Woods fluctuation tunnel. Following the ending of Bretton Woods and the move towards floating currencies the tunnel, as it were, vanished and only the snake remained. In essence the snake was essentially a regional version of Bretton Woods with the deutschmark assuming the role of the dollar.

⁹ Hoffmann was writing in 1976.

snake in January 1974. The first experiment with EMU had served to drive France and West Germany further apart and had demonstrated an inability on the part of EEC states to come together and secure autonomy from the US. The logic of the move towards EMU was realist, and so was the logic of its failure. Nevertheless, it was monetary policy that marked the major developments, from an international politics perspective, during a period of Euro-sclerosis.¹⁰

Before turning back to monetary policy, however, it must be noted that the troubled development of Confederal Europe during the 1970s was largely attributable to 'the displacement of the center of gravity of world politics, from the diplomatic-strategic field to the chessboards of economic and monetary relations' (Hoffmann 1995: 115). Confederal Europe had emerged and developed during a period where global economic issues were largely separate from diplomatic-strategic issues. That separation began to dissolve in the 1970s as, amongst other factors, the US targeted the CAP's protective measures, the policy of benign neglect towards the dollar emerged, and OPEC emerged as a significant actor wielding the economic power of global oil supply. Years of relative calm in the global economy had facilitated the construction of a European confederation, but it was not built to withstand this new turbulence. The economic shocks that hit Western Europe in the mid-1970s (see Eichengreen 2007: 252-93), and that returned again in the early 1980s, choking off a tentative recovery, laid bare a persistent pluralism. Each nation-state reacted to economic turmoil in its own way, developing distinct national strategies. The impact on Confederal Europe was noted by the Commission (1983: 18) who identified the rise in protectionism at the expense of the single market. Such a response was, at one and the same time, revealing of the 'relative

¹⁰ While not wishing to denigrate developments in regional policy, social policy, and environmental policy during these years, it is fair to say that, from the perspective of international politics, these were very much second-order issues. Oftentimes such policy developments were the by-product of major developments in international politics, a way of ensuring the continued support of smaller EEC members for the overall project. Regional policy, crafted to manage EMU's impact on regional disparities (Tsoukalis 1977: 121-22), did, however, represent a clear example of West Germany's willingness to function as paymaster of Confederal Europe. Ultimately the size of the fund was too small, and divided among too many states, to suggest that it was a symbol of some emergent solidarism within the confederation.

bankruptcy of the nation-state, in so far as efficiency is concerned', and also the 'resilience of the nation-state' (Hoffmann 1982: 23).

There was also a subtle regression of Confederal Europe. France and Germany moved to strengthen the Europe of States by establishing, in 1974, the European Council (Morgan 1976). The Commission suffered from weak leadership during the period and did not possess the confidence of the confederation's two most powerful leaders, Giscard and Schmidt (Paterson 2008: 100). Several reports commissioned during the period (Tindemans 1976; Committee of the Three 1979; Spierenburg 1979) emphasised the institutional weakness of Confederal Europe and, suggested ways in which the balance of power between it and the Europe of States might be altered. None of the reports were implemented and the member states retained their dominant role.

The dominance of West German monetary power

If the general picture, from 1973-84, was bleak then a symbol of Confederal Europe's continued relevance could be found in a second attempt at monetary cooperation. It was triggered in 1978 by a further bout of dollar weakness and resultant capital flows similar to the ones that had caused frictions in the early 1970s. The European Monetary System (EMS) was considerably less lofty than the previous attempt.¹¹ It was primarily a mechanism to minimise exchange rate fluctuations and to have broader economic effects in terms of curbing inflation, creating a more favourable climate for investment, and boosting growth rates.¹² Externally, as internal documents between Schmidt and the Bundesbank president show, EMS was once again motivated by a desire to achieve some shelter from the effects of US monetary policies (Marsh 2011: 85), and regain

¹¹ EMU had made the rather outlandish commitment to reach EMU by 1980, i.e. only a decade after commencement in 1970.

¹² EMS was more robust than the previous effort at EMU insofar as it established a grid of bilateral exchange rates and a notional unit, the European Currency Unit (ECU), to link them. The stability and anti-inflationary preferences of the FRG were the principles that would underpin EMS.

some autonomy for Western Europe. Although the idea originated from Roy Jenkins, the British president of the Commission, it was Schmidt's backing that gave EMS impetus.

But it also required the support of the French. The issue between West Germany and France revolved around the same asymmetry found in the earlier EMU. In the event that the system became strained there remained the issue of whether weaker states would have to support their currencies, or whether stronger states would weaken theirs (Eichengreen 2007: 282-86). France favoured the latter, West Germany the former. Although France won some small concessions – principally on the extension of credit assistance – the EMS was very much in keeping with West German preferences and the earlier system of the snake (Marsh 2011: 87-94). French policymakers shared Bonn's concern about the impact of dollar volatility on Western European autonomy, but France lacked the economic strength to force significant compromise from West Germany.¹³ Having been forced out of the snake on a further two occasions since its first withdrawal in 1974, the French were in need of a dose of West German monetary discipline.

At root, therefore, EMS rested on 'a common interest of Bonn and Paris – Bonn's interest in a zone of monetary stability and in a scheme that would protect the deutschmark from becoming too strong, Paris' interest in an external constraint on domestic inflationary pressures' (Hoffmann 1982: 31). There is a misperception that EMS was somehow fundamentally different from the old EMU of the early 1970s but, in its operation, it was not (Hoffmeyer 1992: 131). It was a manifestation of West German monetary power (Hoffmann 1989: 34),

¹³ The French had called for a trigger mechanism that would have involved forcing strong currency countries to relax policy and weak currency countries to tighten policy. There would have been an obligation by central banks to intervene to maintain parities within the grid. The Bundesbank was opposed to such measures, seeing in them an obstacle to their mandate of fighting inflation. Schmidt, desperate to establish the EMS, delivered an impassioned speech at the Bundesbank Council in which he invoked the memory of Auschwitz and the need for West Germany to solidify postwar reconciliation with France. While the Bundesbank conceded to EMS they dug in their heels and won their own concessions over the trigger mechanism, as well as the idea of pooling reserves, having a currency basket as an anchor in place of the deutschmark, and the idea of monetary union was shelved.

such that Marsh (2011: 74-98) referred to the period from 1974, when a de facto deutschmark zone was established, to the early 1980s as 'the tyranny of the mark'.

The EMS was far from stable, with six 'realignments' – as the adjustments in currency values were termed – taking place between September 1979 and 1983. The election, in 1981, of a French president determined to generate economic growth at the expense of a sustainable fiscal position created a significant problem for the EMS (Howarth 2001: 55-82). Mitterrand's policies brought tremendous pressure to bear on the franc and triggered two realignments. By March 1983 capital flight from France had raised the prospect of France's exit from the EMS. It was a critical juncture and withdrawal would have raised significant doubts about France's ability to play a genuine leadership role in the European confederation, a point that Jacques Delors was keen to impress upon his president.¹⁴

In what was a very theatrical sequence of events in early 1983 (see Marsh 2011: 105-8; Eichengreen 2007: 288-90), French policymakers succeeded in persuading West Germany to accept a revaluation of deutschmark (by 5.5%) in order for the franc devaluation to be less eye-watering (at just 2.5%). Cosmetically, this was a victory for France, but at a deeper level March 1983 represented a further entrenchment of West German economic and monetary power. Mitterrand's decision to remain within EMS 'represented the final decision to end socialist reflation, embrace open competition in the EEC, and conform – at least to a certain extent – to the German economic standard' (Howarth 2002: 145). The logic was essentially one of "if you can't beat them, join them".

The repetition of these managed realignments through the later 1980s represented a conscious attempt at the management of the Western European balance of power in the monetary sphere. 'The Bundesbank set the tone for

¹⁴ Delors was at this point the minister of economy and finance in the French government. He would go on to become President of the European Commission for a decade from 1985-95.

monetary policy' (Eichengreen 2007: 348) but it was done in a way that showed a sensitivity to the political pressures of its neighbours. The balance of power had tipped in West Germany's favour, but a prudent mechanism for managing it had been found. It chimed with the West Germany's longer-term goal of maintaining firm ties with France. The three years from March 1983-86 did not produce much stress for the EMS but trouble returned in 1986 as a result of both a new dollar decline (and yet more capital inflows), and a neo-Gaullist administration that was happy to pursue a less conciliatory course over EMS.¹⁵ This led to renewed pressures and the return of the asymmetry arguments during 1986-88.¹⁶ There were some minor changes but nothing to alter the logic of the monetary arrangements that were in place.

Significant momentum towards greater monetary cooperation, and indeed a single currency, began in 1988. The formation of the Delors Committee in June 1988, and its report of April 1989, brought the three-stage proposal of Werner back on to the agenda (Delors 1989; Marsh 2011: 120-24; Thygesen 1989). While the proposal was similar to that of 1970, the political context in which it was commissioned and into which it emerged were very different. There was a broader strategic and political context that took the issue far beyond economic and technical concerns.

The personality and policies of Gorbachev were, from the mid-1980s, creating a fear that West Germany would gravitate towards neutrality in exchange for Soviet acquiescence in reunification (Marsh 2011: 119-20). It was a long held fear in Western Europe. It reemerged in the mid-1980s and triggered a far more

¹⁵ The election of March 1986 had brought the centre-right coalition of the RPR/UDF a parliamentary majority and a period of cohabitation began. Mitterrand continued as president and Jacques Chirac was appointed as Prime Minister. Chirac's administration pushed for a sharp devaluation of the franc but was opposed by the Banque de France and other EEC governments who saw it as a blatant attempt to steal a competitive advantage in the export markets. There was 3% devaluation, coupled with a 3% revaluation of the deutschmark and the Dutch guilder in April 1986.

¹⁶ Édouard Balladur, the French finance minister, submitted a memorandum to the ECOFIN Council in early 1988 that was critical of ongoing asymmetry (Gros and Thygesen 1992: 312). Other countries that were prioritising growth over rigour (e.g. Italy) were sympathetic to Balladur's stance but 'so long as the Bundesbank set the tone for monetary policy throughout Europe, there was nothing they could do' (Eichengreen 2007: 350).

concerted effort towards a common European currency than anything that had gone before. Marsh (2011: 120) quotes from Mitterrand's private papers a conversation between the French president and his prime minister and finance minister¹⁷, in which the former remarked that 'unless we make progress in the construction of Europe, we will not escape bargaining over Germany between East and West'. There was, at the time, a palpable sense of the attraction of neutrality to many in West Germany. The Delors Committee was thus a manifestation of both actual and potential political changes. Chancellor Kohl, recognising the fears and sensitivities of West Germany's neighbours, was prepared to signal his commitment to the West and the EEC by supporting the renewed move to EMU (Dyson and Featherstone 1999: 166-67).

The momentum was maintained through the European Council meeting of June 1989 in Madrid. The momentum towards EMU had thus been established ahead of the issue of German reunification being placed firmly on the agenda by the revolutionary events of late 1989. But opposition in West Germany, from the Bundesbank especially, to rapid developments in EMU threatened to stall the process once more. The legally binding agreement on moving to EMU was not taken until December 1989, a month after the fall of the Berlin Wall. It was this revolutionary turn of events that made the momentum unstoppable.

Euro-sclerosis gives way to '1992'

Prominent by being absent in the monetary realm was the UK. Having secured an opt-out on EMS in the late 1970s, the UK was also not prepared to become involved in the renewed drive toward EMU. Thatcher was implacably opposed to the accumulation of new powers at a supranational level and saw a loss of control over monetary policy as an affront to sovereignty. Despite this, the UK was prepared to support, and even champion, the further integration of Confederal Europe's single market (Thatcher 1993: 553). Thatcher was a

¹⁷ Chirac and Balladur respectively.

champion of the project, bringing forth a proposal for deeper market integration at the Fountainebleau summit of June 1984 (George 1998: 158-59). The morass of the early 1980s had threatened to unpick the achievements of the confederation to that point. Yet beneath the surface, the Commission had been quietly working away in a select few policy areas, keeping some momentum alive. Such activity was crucial insofar as it cleared the ground for the renewed drive to integrate, and it stopped the bicycle from coming to a stand-still and toppling over (Dinan 2005: 185-201).¹⁸

However, the real trigger for renewal was a convergence, in the mid-1980s, of national interests in Paris, Bonn, and London. With growth stagnant and with new economic rivals, such as Japan, winning an ever greater share of the global market share, Western European states looked to their confederation as a mechanism of defending their collective interests (Hoffmann 1989: 31-4). France's turn away from socialist reflationary policies in March 1983 certainly helped to narrow the gap with her neighbours (Eichengreen 2007: 341; Gillingham 2003: 194-99). By the mid-1980s there was a consensus that more integration was required and a genuine single market had to be forged. The resolution of the UK budgetary question cleared the air for the renewed effort. It was, once again, France and West Germany that took the lead in establishing a committee on Institutional Affairs and supporting its subsequent report (Dooge 1985), which called for a single market, stronger European institutions, and an alteration of the balance of power between Confederal Europe and the Europe of States in favour of the former. France and West Germany pushed this agenda at the Milan Summit in June 1985 and managed to win support for an IGC later in the year.

¹⁸ Obstacles to be cleared including resolving the question of Britain's budgetary contributions and abatement, bringing Portugal and Spain into the EEC, and facilitating Greece's adjustment to membership of the EEC. Policy developments included an active involvement by the Commission in the restructuring of the European steel industry through the Davignon Plan (Swann 2000: 313), action to remove barriers to trade in pursuit of the single market (Egan 2001: 94-104), and industrial and high technology policy (Sandholtz 1992; Peterson 1993).

The compelling external logic of the proposal was what ultimately sealed the consensus. However, the negotiation of the SEA was also remarkable for the leadership displayed by the Commission, and its president Delors (Hayward 2008: 21-3). While the Commission remained relatively weak, in terms of the material resources at its disposal, Delors manoeuvred himself into a powerful position. He forged connections with business groups and industry, who were broadly supportive of further market integration, and used that support to buttress the Commission's institutional power (Sandholtz and Zysman 1989: 95-128). By allying himself with a powerful group of industrialists, and by identifying himself so closely with an idea – deeper market integration – that was supported by London, Paris, and Bonn, 'Delors and the Commission played a crucial trigger role and were important in flanking and supporting Franco-German initiatives' (Paterson 2008: 103). Given that the preferences of the most powerful states were convergent, it remains questionable to what extent Delors shaped the final outcome (Ludlow 2006: 225-28). However, Delors' capacity to bring the parties together, and to use his position at the interface of the negotiations to craft a SEA that was acceptable to all member states, was crucial to the speed of the negotiations (Endo 1999: 141-43).

The intergovernmental conference convened in the final months of 1985 and the SEA was signed by all member states as quickly as February 1986.¹⁹ In parallel, the Delors Commission had produced, under instruction from the European Council, a White Paper with nearly 300 proposals that would contribute to the completion of the single market (European Commission 1985). Before the SEA was ratified, the Commission began to bring forth these proposals and continued through the 1980s and early 1990s (Egan 2001: 109-32). The bulk of the measures adopted under the single market programme were 'arcane measures to remove technical barriers to trade' and, generally, 'the single market programme was a successful undertaking' (Dinan 2005: 221). The specifics of the measures adopted need not detain us here. The important point

¹⁹ The SEA was not ratified in all member states until 1987 when Ireland finally ratified through a referendum. The SEA came into effect on 1 July 1987.

to note is that the SEA was motivated by a clear external logic. As Hoffmann (1989: 39) put it, 'the purpose of the whole effort is not merely to increase wealth by removing obstacles to production and technological progress, but also to increase Europe's power in a world in which economic and financial clout is as important as military might'.

Around the core effort of completing the single market, the SEA heralded a shift towards more QMV in the Council, and greater legislative authority and oversight for the European Parliament. Taken together, and in the context of the Delors Commission's general activism and empowerment, the period marked a strengthening of the institutions of Confederal Europe vis-à-vis the Europe of States. The extension of QMV created a new dynamic, in which 'the threat of exclusion could be used much more credibly against' those countries that often proved awkward partners (Paterson 2008: 104).

Also of note was the policy commitment to close the gap between the richest and poorest regions of the EEC through a renewed effort at cohesion policy. While shrouded in the language of solidarity, cohesion policy is better conceptualised as both part of the cost of doing business in the confederation, and a result of a shift in the balance of power within the confederation. EEC rules empower all states to dig in their heels and bargain for side-payments whenever the treaty architecture is amended. By January 1986, Spain and Portugal had joined the confederation and added the weight of their voices to those of Greece and Ireland in calling for more cohesion funding, in exchange for their support for the SEA (Dinan 2005: 225-27). The notion that the cohesion funds represent a genuine commitment to solidarity across the confederation is hard to justify given the interminable fights that ensue every time an increase in their funding is sought.²⁰ Judt (2005: 715) summed it up: 'Delors ... all but

²⁰ Despite the notion, popular in the late 1980s and early 1990s, that cohesion policy represented a joining of forces by the Commission (supranationally) and the regions (sub-nationally) that had the effect of sidelining the state, it remains the case that states are the primary actors within the confederation. While in certain policy areas there are undeniable linkages being forged around the state, as it were, from an international politics perspective these developments have done nothing to fundamentally alter the centrality of the states. For

bribed the finance ministers of Greece, Spain, Portugal, and Ireland, promising large increases in EU structural funds for their signatures' on treaties.

Perhaps the most important aspect around the ratification and implementation of the SEA was that 'except in Denmark and Ireland [it] ... did not attract much public attention. There was little awareness then that European integration was on the verge of a major revitalization' (Dinan 2005: 215). This was reflective of the permissive consensus that had largely underpinned the project up to that point. This consensus was to erode through the 1990s and cause significant problems for the stability of the European system and, specifically, for the relationship between Confederal Europe and the Europe of States.

2. A Union created as its foundations weaken, 1989-2007

Confederal Europe was in the ascendancy in the late 1980s. The period of Euro-sclerosis had been overcome and policymakers in Brussels, and national capitals, were busying themselves with completing the single market and tentatively developing plans for EMU. An exogenous shock – in the form of the collapse of the Soviet Union – rocked global politics and had a significant impact on the European system insofar as it presented the prospect of a reunified Germany, and created a group of states in Central and Eastern Europe that, freed from Soviet domination, were looking westwards to the promise of economic security within Confederal Europe. The response was demonstrative of both the internal and the external logic of Confederal Europe. However, in parallel to these developments deeper shifts in the fabric of the European system began to crystallise, shifts that brought into question some of the founding elements of the postwar European structure.

this debate see Marks (1992, 1993), Marks et al. (1996a, 1996b), and Hooghe and Marks (1996, 2003). For more qualified and nuanced understandings, that essentially reaffirms the centrality of the state, see Jeffery (2000, 2007) and Allen (2005). Bomberg and Peterson (1998) stress the need for regions to build coalitions and work with their state in order to be effective actors within the confederation.

Binding in Germany through EMU

The market completing activities of the Commission, in pursuit of the goals of the SEA, rumbled on through the late 1980s and early 1990s. The issue of EMU, already firmly on the agenda by November 1989, took on an added weight following the fall of the Berlin Wall that month, and Kohl's announcement to the Bundestag of a ten-point plan for reunification on 28 November.²¹ It was this development that catalysed the move toward EMU and it went beyond commercial and monetary concerns to touch on power political issues within Western Europe. In this case it was the politics of money (Howarth 2001: 113-44).

Once the issue of reunification had to be confronted, Mitterrand and Thatcher both became active in trying to ensure that it only took place in a manner that would check Germany's increased power. The two differed on how this should be done. Marsh (2011: 140-48) has chronicled the debates that took place during 1990 and shows how Thatcher favoured a classic balancing approach in which France and Britain would draw closer together. Mitterrand, on the other hand, preferred a continuation of the binding strategy that had been France's tactic since the ECSC. A reunified Germany had to be drawn more closely into Confederal Europe and its most significant power resource – its currency – had to be disarmed and replaced by a communalised currency.

The Strasbourg Summit of December 1989 was notable for the threats issued by Mitterrand to Kohl about the possibility of a reunified Germany facing a triple alliance of France, Britain, and the Soviet Union should it refuse to bind itself into Europe after reunification.²² Kohl had little choice but to agree to an

²¹ A plan, incidentally, that was not pre-announced to other European leaders, a fact that particularly incensed Mitterrand.

²² Marsh (2011: 143) quotes Mitterrand as remarking to the West German Foreign Minister Genscher that 'France, Britain, and the Soviet Union ... could isolate Germany in a similar fashion to the eve of the First and Second World Wars'. It would be a return to the world of 1913.

intergovernmental conference on EMU, to take place in 1990. German reunification required the approval of the four postwar occupying powers and that gave Britain and France significant leverage in the negotiations, alongside the US and the Soviet Union. There was a brief window of opportunity at the end of 1989 in which the situation was uncertain enough for Mitterrand to credibly issue this warning to Kohl. That window was utilised by Mitterrand to bring Kohl to the table in 1990 for the conference on EMU. The atmosphere at Strasbourg was tense, with the highest geopolitical issues hanging in the air. Mitterrand and Thatcher adopted forceful negotiating lines (Wall 2008: 89; Thatcher 1993: 796-98).

The two issues – reunification and EMU – were thus linked as a way to bind Germany into the confederation and also as a way to manage the European balance of power so as to prevent it tilting towards Germany to an unacceptable degree.²³ The French Prime Minister, Michel Rocard, observed that a balance existed

between unification of Germany and the establishment of European monetary union. Both processes accelerated after the fall of the Berlin Wall ... Mitterrand had to accept reunification more quickly than he thought likely, in the same way that Kohl had to accept monetary union more quickly than he had intended (quoted in Marsh 2011: 143).

The German willingness to concede to these developments was a further manifestation of its tamed power; its determination to Europeanise its foreign policy in such a way as to placate its neighbours. As Hoffmann (1990: 295) observed, ‘for Germany ... unless dramatic changes occur in [its] security environment, the rewards of economic influence – of being able to provide others what they crave – are far greater than those of traditional power’. Germany’s tamed outlook and its overarching national interest in reunification, and stable relations with its neighbours, ushered it in the direction of EMU.

²³ It must be noted that the strategy was predominantly a binding strategy. It had the effect, however, of altering the balance of power that might have naturally developed absent that effort to bind a reunified Germany.

But it was not a complete and total acquiescence to French demands. Such a scenario would have represented a genuine anomaly on the part of a state that had clearly established its economic dominance in Western Europe. With Thatcher still adamant that a harsher balancing strategy was superior to the binding approach, a Franco-German agreement began to crystallise.²⁴ As reunification went ahead in October 1990, following a vote in East Germany in which Kohl's CDU secured a significant victory, the leverage of France slowly ebbed away (Dyson 1994: 143). This was demonstrated through the Maastricht negotiations, culminating in December 1991, which established strict convergence criteria and a blueprint for a German-style ECB (Marsh 2011: 188; Sperling 2010: 183).²⁵ German preferences about the structure, policies, and ethos of EMU solidified over 1993-97 (Dyson and Featherstone 1999: 386-87). Germany's preferences were uploaded to Europe and, as a result of its power in the monetary realm, it was able to 'shape the regional milieu' (Bulmer et al. 2000: 92-103).

In the immediate aftermath of Maastricht, the EMS was hit once again by major turbulence, which was largely the result of the pressures created by German reunification. Specifically, the decision to convert East German ostmarks into deutschmarks on a 1-for-1 basis stoked German inflation, and in turn interest rate rises (Cameron 1992: 13-16). To stem an outflow of capital to Germany other EMS countries had to raise their interest rates against the backdrop of weak economic growth (Marsh 2011: 157-60).²⁶ In parallel to these developments, the liberalisation of capital flows as a result of the SEA made it

²⁴ This is hardly surprising. At critical junctures where the power of West Germany grew, the French had sought to use a European framework to both bind that power into the broader framework and to manage the shifting balance of power. Britain had never been a part of these efforts having stayed outside of such initiatives until 1973 and then played the role of an awkward partner for the better part of a decade. France and West Germany had developed a mechanism to manage such situations since 1949, Britain had not been socialised into its operation.

²⁵ The convergence criteria involved having deficits limited to 3% of GDP, government debt less than 60% of GDP, stable exchange rates within the ERM, and an inflation target. All were reflective of German preferences.

²⁶ As Calleo (2001: 190) put it: 'In effect, the Germans were using their monetary predominance to spread the costs of reunification, much as the Americans had earlier spread the costs of military hegemony through manipulating the dollar'.

far more difficult to organise EMS realignments. Imbalances quickly began to cause tensions, first focused on the Italian lira and then on the British pound. Despite efforts by both governments to defend their currencies, the resources of speculators far outweighed the resources of sovereigns and both were ultimately forced out of the system (Eichengreen 2007: 357-66).

The franc was the next target and nearly a year of currency attrition between the franc and the deutschmark resulted in the widening of the ERM bands from 2.25% to 15%. It was the effective end of the EMS system given the wide margins of fluctuation, and the effort to defend the franc cost France \$32bn in a single week alone (Marsh 2011: 168-81).²⁷ The whole episode was further evidence, if it were needed, of Germany's immense monetary power; it had a far greater capacity to impact other states than they had to impact upon it (see Cameron 1992²⁸).

The move towards EMU had an external aspect to it as well. Once again the issue was one of autonomy and power projection into a turbulent global system. From a mercantilist perspective EMU represents 'the obvious way to end an integrating Europe's particular vulnerability to monetary disorder' (Calleo 2001: 201). Such disorder threatened the stability of the single market. EMU represented a way of securing more autonomy from the vagaries of the global monetary system and also, it was hoped, an ability to project power into that system. The latter quest has proven to be more difficult given the institutional weaknesses of EMU (Eichengreen 2010: 133) and the link between

²⁷ Marsh (2011: 181) summed up the decision to widen the ERM bands in August 1993 accurately: '[It] marked the final skirmish in a series of bitter tests for Franco-German relations, at a pivotal period for shaping post-Cold War Europe. The final struggle brought the break-up of the old European monetary order, and a new campaign – accompanied by fresh strife – for a more durable construct'.

²⁸ David Cameron, in an unpublished paper that gives an excellent appraisal of the 1992 crisis within the EMS, captures the dynamic as one of British defection, German domination, and French cooperation (or 'British Exit, German Voice, and French Loyalty'). He persuasively argues that, once again, the historical legacies of Franco-German cooperation since 1945 and British abstention from Europe, are central to understanding 'why Britain left ... and why it left in the manner it did, and why France remained within ... and why it was able to mount a successful and coordinated defense of the franc'. He goes on: 'Britain, having opted out of ERM at its founding, could not "opt in" to that history of interaction, shared norms, convergent preferences, and cooperation simply by joining ERM at some later date' (Cameron 1992: 61).

international security considerations and the dominance of the dollar in global reserves (Posen 2008). Confederal Europe does not play anything like the role that the US plays in the provision of global security. Posen's article is a reminder of the interconnectedness of the various forms of power and the reality that Confederal Europe does not possess the same toolbox as the US.

The external logic comes to the fore

Maastricht was, from an IR perspective, the most recent grand bargain driven by the internal logic of binding in an empowered Germany. EMU may well have been the last instance of a tamed, Europeanised Germany offering up a major concession to its European partners. Subsequent treaty amendments – at Amsterdam in 1997, Nice in 2001, and Lisbon in 2007 – have been, in comparison to Maastricht and the launch of EMU, tidying up exercises predominantly geared towards making Confederal Europe function more efficiently and effectively (Best et al. 2008).²⁹ The broad trend across these treaty revisions has been the empowerment of Confederal Europe vis-à-vis the Europe of States: QMV has been extended, more policies have shifted to shared or exclusive competencies, the European Parliament's role in the legislative process has been strengthened, and the posts of European Council president and High Representative for Foreign Affairs and Security Policy have been established (see Monar and Wessels 2001; Gray and Stubb 2001; Dinan 2008, 2009).

However, while Confederal Europe was strengthened institutionally and legally, there were parallel efforts to empower the European Council as an agenda setter and to erode the Commission's sole right of legislative initiative (see

²⁹ Both Amsterdam and Nice reformed the institutional dynamics of Confederal Europe, albeit in a relatively limited way. On the policy front there were developments – Amsterdam saw reforms to the CFSP and the establishment of an Area of Freedom, Justice and Security; Nice reformed the Common Commercial Policy – but these were not policy reforms that had a significant impact on the fabric of international politics within Europe, compared with EMU.

Majone 2006: 615-16). More importantly, the material power of Confederal Europe has not been boosted. The financial resources at its disposal, measured in terms of the size of the EU budget relative to EU-wide GDP, have not increased in tandem with the institutional and legal strengthening (Laffan and Lindler 2010). And despite the rhetorical commitment to political union at Maastricht, it has proven to mean little in substance.³⁰ While there has been an evolution from intergovernmental coordination to supranational cooperation in some limited areas of justice and home affairs policy³¹ (Monar 2001; Occhipinti 2003; Mitsilegas et al. 2003; Geddes 2008), 'social Europe' has remained something of a 'mirage' (Majone 2009: 128-50).

It was the external logic of Confederal Europe that came to the fore in the 1990s and 2000s. We have already seen how EU member states took tentative steps towards foreign and security policy cooperation during these years, but Confederal Europe projected considerable economic power during this period. Two specific examples will be noted. The first concerns enlargement and the development of a neighbourhood policy through which Confederal Europe established a network of economic relationships with its near abroad. The second concerns trade policy where Confederal Europe grew in power as a result of both enlargement, and enhanced legal competences through the 1990s and 2000s.

³⁰ France's motive for pursuing political union was, similarly to the pursuit of EMU, to bind a more powerful Germany into a Confederal Europe under French political leadership (Dinan 2005: 244-45). Ultimately, as Calleo (2001: 186) notes, the goals of Maastricht 'proved more difficult to reach than its architects ... imagined', largely because the goals were so difficult to pinpoint. Insofar as political union was concerned it seemed to mean something different to each member state, with phrases such as 'subsidiarity' and 'federal' being argued over and debated for many months.

³¹ Space considerations prevent a full consideration of developments in this area. Justice and Home Affairs (JHA) was initially established in the Maastricht Treaty as the third pillar of the EU – the first being the EEC, ECSC, and EURATOM, and the second being the CFSP (see Curtin 1993; Baun 1996). Initially the policy area was intergovernmental, as was the CFSP, although successive treaty amendments shifted several policy areas under JHA into the first pillar, leaving a trimmed down third pillar named Police and Judicial Cooperation in Criminal Matters (PJCC). The Lisbon Treaty dissolved the pillar structure, creating a single legal entity in the EU. However, in reality the distinctions remain with the now CSDP remaining intergovernmental.

The collapse of the Soviet Union created the context for the political unification of the European continent. Confederal Europe, up to that point a Western European institution, was confronted with its most significant external challenge; how to handle a group of Central and Eastern European states for whom accession to the confederation was the only possible option? The first post-Cold War enlargement – taking in the former neutral states of Sweden, Finland, and Austria – was relatively easy as all three were small, stable, wealthy, and with economies that could easily fit into the confederation (see Redmond 1997). Central and Eastern Europe presented a challenge of a different order of magnitude (see Baun 2000).

A power vacuum emerged following the collapse of the Soviet Union. The US sought to fill it militarily but, economically, the EU was one of the most powerful actors in the region. The power vacuum was a clear threat to the collective interest of Confederal Europe and the specific interests of its leading member states. At a collective level it was clear that the accession, on the same terms as existing members, of up to ten states that were considerably poorer than the EU-average would 'break the EU budget' (Judt 2005: 718). It was clear to all member states that if the Central and Eastern European states were to join it would have to be on different terms, with long phase-ins for subsidies and cohesion funds.

Aside from a collective fear about the impact of such an enlargement on the budget there was considerable diversity in the views of the confederation's leading members, a further reflection of the logic of diversity that can grip the EU. The UK were supporters of enlargement on the grounds that a wider confederation would be weaker and finally spell the end of any grand design for political union.³² Germany, a country that stood to gain significantly from the successful economic transition of its eastern neighbours, were champions of enlargement from the outset. France was more troublesome with Mitterrand initially proposing a looser arrangement, a sort of outer-circle of states that

³² Jachtenfuchs (2002) has discussed the trade-off between widening the EU geographically and deepening the EU substantively.

would not be full members (Vernet 1992; see also Baldwin 1994: 221-23). No member state was powerful enough to impose its preference on the confederation but, with a recently reunified Germany still treading cautiously in its regional affairs, Kohl was content to allow Mitterrand to take the lead, at least initially.

Progress was slow during the early 1990s but a series of events across the post-Communist territories, which raised considerable alarm in West European capitals, led to the official recognition of the desire for membership at the 1993 European Council meeting in Copenhagen. The subsequent negotiations between the EU and its applicants were long, complex, and will not be detailed here. What is significant, for present purposes, is the way in which the EU was able to project its economic power into the former Soviet space and exert control over the movement of nation states in Central and Eastern Europe towards the liberal, market economy. That the EU stumbled through this process is largely attributable to the diversity that persists within its membership. However, at a basic level 'the Union enlarged ... because enlargement was a tool of meeting the most vital interests of its member states' (Zielonka 2006: 53).

Zielonka (2006: 54-7) goes on to argue that enlargement was a tool of control, a mechanism for shaping nation states in accordance with the preferences of the dominant Western European states (see also Vachudova 2005; Grabbe 2006). Confederal Europe's power was, at one and the same time, material and ideational. Materially, the promise of access to such a large market had, for Central and Eastern European states, no substitute. The economic power wielded by Confederal Europe was buttressed and given legitimacy by its discursive power, and its ownership of legitimating and powerful ideas such as democracy, freedom, and the rule of law. EU intervention in candidate countries was highly intrusive (Zielonka 2006: 57-63). While the pattern was one of benign control – with incentives and inducements being offered, as opposed to coercion and punishment – 'the applicant states' compliance was voluntary only

in theory. In practice these states could not afford to turn their backs to the EU's demands and expectations' (Zielonka 2006: 57).

Confederal Europe's management of enlargement was far from smooth, and far from coherent at times, but it was nevertheless a clear manifestation of the external logic of the confederation. The same external logic is also on display in the development, through the 1990s and 2000s, of a robust European Neighbourhood Policy in which access on preferential terms to Confederal Europe's large market, and in many cases the promise of membership at some point, is traded for economic, social, and political reforms (Smith 2005; Kelley 2006). It is a soft mechanism of shaping and controlling the environment but it is buttressed by combined economic power, and ownership of powerful ideas, that individual European states would not possess to the same extent. Attributing Confederal Europe's power to exclusively normative elements (Manners 2002) is thus to miss the point about the interconnectedness of material and ideational forms of power. Questions remain about how coherent the EU's strategy is (Dannreuther 2006) but its motive is understandable through the external logic presented in this thesis.

The second example of the external logic of Confederal Europe is in the area of global trade. We have already seen that Confederal Europe was able to project power and secure some autonomy within a US dominated trade regime. It was able to defend its interests even in the early rounds of the GATT (Kennedy and Tokyo rounds). The Uruguay Round, running from 1986-94, was the first conducted with Confederal Europe as an equal partner, in terms of sheer economic size, of the US (Peterson 2004). However accounts of Confederal Europe's role at the Uruguay Round tend to reflect a form of power that fell short of agenda-shaping (see Paemen and Bensch 1995). Being able to fight for, and defend, a set of collective interests is far from insignificant but it represents a more limited form of power than being able to shape the agenda itself. The shift towards exerting agenda-setting power came during the late 1990s and Confederal Europe, ever-strengthening as more members joined (thus boosting its economic weight), was able to play a central agenda-setting role ahead of the

WTO Doha round that commenced in 2001 (Allen and Smith 2001) and then subsequently during the round itself (Kerremans 2005).

The desire to control the trade agenda is a manifestation of the realist external logic of Confederal Europe. That the EU was able to perform such a role was the result of the combined effect of the growing weight of the confederation, the consolidation of the Commission's power over trade policy through successive treaty amendments (Woolcock 2010), and, perhaps most crucially, a greater alignment in the interests of member states (Baldwin 2006). It is a further demonstration of the need for a logic of unity to be dominant within Confederal Europe if it is to ever project its power and control its environment in an effective way. Indeed, academic analysts of the EU's external policies would be well-advised to start by examining the configuration of interests within the EU. To start with, for example, a consideration of the institutional mechanisms, the legal powers of the Commission, or some quantified indicator of the EU's 'power', often tends to result in a rather disappointing assessment of Confederal Europe's performance.

The extent to which Confederal Europe can continue to shape the agenda of the global trade regime is highly questionable, and for a simple reason: the global balance of economic power is shifting towards rising markets such as Brazil, India, China, and so forth. The Doha Round was ultimately unsuccessful and despite exerting significant control over the agenda, the EU and successive Trade Commissioners (Peter Mandelson and Pascal Lamy) were unable to break the logjam. The power that Confederal Europe brings to the negotiating table cannot be appraised in a vacuum. As Young (2007) has shown, the increased economic power of fast growing markets who possess trade preferences that are markedly different from the EU's makes it very difficult for the EU to compel others to accept its agenda. Absent a marked reversal in economic trends over the coming years, it is probably the case that Confederal Europe has experienced the high-water mark in terms of its capacity to control the global trade agenda. But the size and depth of its market make it a formidable presence and it will be a leading player in future negotiations, a scenario that is almost

unimaginable for its members acting alone, or through a series of ad-hoc agreements forged for specific negotiating rounds. Recent years have brought other challenges to Confederal Europe, besides the rise of economic rivals. It is to two of these challenges that the chapter now turns.

Germany normalised, the masses awakened

The 1990s and 2000s saw two parallel developments that strike at the very fabric of the postwar European system. First is the normalisation of Germany post-reunification (Bulmer and Paterson 2010). Second is the awakening of the European masses to integration itself, and the replacement of a permissive consensus amongst European citizens by a constraining dissensus (Hooghe and Marks 2008). Both developments impact the balance of power within the European system. The first development impacts the horizontal balance of power between France and Germany insofar as Germany's tamed, Europeanised approach to foreign policy served as a power resource that France could draw upon. On a more fundamental level, it also represented an alteration of a social dynamic that had developed between Confederal Europe's two most important states over four decades. The second development impacts the vertical balance of power between Confederal Europe and the Europe of States. The awakening of the masses alters the relationship, always somewhat tense, between the two. The limited legitimacy of Confederal Europe has been eroded still further by the politicisation of integration and this weakens the confederation. It does not necessarily mean, however, that power flows back to the Europe of States. It may be the case that member states wish to push ahead with integration but, because of the impact of politicisation, they are unable to secure the consent of their citizens in referenda (Majone 2006: 608-9). In such a scenario both Confederal Europe and the Europe of States, at least if the latter is made synonymous with its political leaders, are weakened; the former is weakened because it is seen as illegitimate, and the latter is weakened because the

illegitimacy of the confederation hinders the ability to implement preferred policies or institutional reforms.

The normalisation of Germany represents a change in outlook by the largest economic power in the confederation. We have seen how the complementarity between France's desire to bind Germany, and Germany's willingness to be bound, formed a dynamic that lay at the core of Confederal Europe. Noted scholars of German politics have attributed the tamed, Europeanised nature of postwar West Germany to the legacy of World War II, its semi-sovereign status during the Cold War, and its struggles to rediscover the trust necessary to govern itself (Katzenstein 1997b; Bulmer et al. 2010). This thesis has argued that, in addition to such identity-based factors, Germany's tamed and Europeanised foreign policy was established, early on by Adenauer, as a means to the ultimate end of reunification. Having attained that goal in 1991, it was unsurprising that Germany's outlook would change and, with it, its willingness to play the role of Confederal Europe's paymaster, and its willingness to forego the pursuit of narrower national interests lest they interfere with one overarching, long-term one.

Other factors contributed to the shift in Germany's manner of engaging its European partners. At the domestic level, a resource crunch emerged as a result of having to integrate the economically underdeveloped territory of the former East Germany. This was exacerbated by expanding entitlements and an ageing population (Miskimmon et al. 2009). Not only did this put great strain on Germany's public finances, it also curtailed the ability of Germany to play the role of paymaster within Confederal Europe. German-financed side payments – a mechanism that had been used over the years to win the approval of smaller, poorer states to developments within the confederation – were no longer a practical way of doing business. The strategy was rendered still more futile by the successive enlargements of the EU, which brought a raft of smaller, poorer states into the confederation. Germany could not distribute side-payments to all of them.

Enlargement also diluted the capacity of France and Germany to supply leadership, in tandem, to a much more diverse grouping of states with correspondingly more diverse interests (Bulmer and Paterson 2010: 1059-60; Paterson 2011: 59-60; Schild 2010). Thus, in parallel, two developments were recasting Germany's role within Confederal Europe, and both were associated with power. On the one hand, Germany's freedom of manoeuvre over short-to-medium term issues was greatly enhanced as its European partners lost the leverage they possessed prior to reunification. On the other hand, Germany's stretched public finances reduced the economic power available to underwrite and support Confederal Europe. It is, in a sense, the worst of all worlds. Germany is normalising and becoming more narrowly self-interested at a moment when Confederal Europe is enlarging and growing more disparate; a scenario that calls for a hegemon within the confederation to supply much needed leadership.

To be clear, the argument is not that Germany will now turn its back on Confederal Europe and pursue a narrow, unilateral agenda. Not only would that fall foul of Germany's national interests, as presently understood by elites in Berlin, but it assumes an ability for deep sociological norms and patterns of foreign policy to be simply reversed overnight. While ahistorical neorealists might well see this as possible, classical realism recognises the socialising effect of norms and institutions, and tends to see them as altering slowly and incrementally over time. In other words, ontological security matters. As Anderson and Goodman (1993: 60) observed,

Over the course of forty years, West Germany's reliance on a web of international institutions to achieve its foreign policy goals, born of an instrumental choice among painfully few alternatives, became so complete as to cause these institutions to be embedded in the very definition of state interests and strategies.

For the remainder of his term as Chancellor, post reunification, Kohl continued to use the discursive power of 'Europe' to secure support for integration

(Paterson 1999), demonstrating that Germany did not recast itself overnight. But the end of Kohl's Chancellorship brought a shift in both discourse (Paterson 2011: 61-62) and substance, on display over such issues such as the EU's constitutional treaty, cooperation in justice and home affairs, and the management of the Eurozone crisis (Bulmer and Paterson 2010: 1065-71). The situation can be summed up no better than it was by Thomas de Maiziere, then German Interior Minister: 'For our European friends, they need to come to terms with the fact that Germany is going to act just as other countries do in Brussels' (quoted in Chaffin 2010). The 'contingent element' in German foreign policy will, going forward, be just as, if not more, important than 'the traditional reflexive multilateralism' (Paterson 2010: 48; Jeffery and Paterson 2006). The so-called Birmingham-Trier model³³ stresses a leaner and meaner Germany within Confederal Europe.

Added to this since 2005, and making for a still bleaker picture, are a leader, in Angela Merkel, 'without a European vision, a hollowing out of elite opinion, and increasingly hostile public opinion' (Paterson 2011: 67). Increasingly hostile public opinion is not, however, confined to Germany. The politicisation of integration has brought to light a serious legitimacy deficit on the part of Confederal Europe and has exacerbated significantly the tension between it and the Europe of States. A tension that had previously characterised interactions at the elite level was now operating at the mass level. Maastricht marked a watershed in this respect, a point at which European integration became politicised (Franklin and van der Eijk 2004). Empirical evidence of such politicisation has been found in the subject matter of political protests (Imig 2004), and the content of media coverage of national election campaigns (Kriesi et al. 2006). Benoit and Laver (2006) found that integration was a highly salient issue in national politics. Two questions arise: first, what prompted this politicisation? And second, why was the result a shift to a constraining dissensus?

³³ Named for the institutional affiliations of the leading academics at the time they developed the concept.

Integration remained a relatively depoliticised issue even following the establishment of direct elections to the European Parliament in 1979. Research on the first election concluded that it was a second-order election that served as a quasi-referendum on national governments (Reif and Schmitt 1980). There is no evidence to suggest this has changed since (van der Eijk and Franklin 1996; Schmitt and Thomasen 1999; Hix and Marsh 2007). The politicisation of the early 1990s could well be attributed to Maastricht's quasi-constitutional status. Dinan (2005: 291) observes that the treaty 'endowed the EU with political objectives and constitutional characteristics, such as the concept of EU citizenship; the upholding of democracy, human rights, and national identities; and the principle of subsidiarity'. Amsterdam built further on these foundations, instilling the EU with core political values and granting the power to sanction those member states who violated those values. Following on from this was the Charter of Fundamental Rights, proclaimed in 2000 and integrated into the Lisbon Treaty. During the 1990s and 2000s 'the scope and depth of ... integration' did increase 'perceptibly ... and their effects have been magnified because they are part of a broader breakdown of national barriers giving rise to mass immigration and intensified economic competition' (Hooghe and Marks 2008: 13).

Confederal Europe has thus seen its competences expand to touch on far more politically salient issue areas. Its legitimacy has not expanded in parallel. Legitimacy is a highly important form of ideational power. It can transform power into authority. Confederal Europe possessed sufficient legitimacy to undertake the tasks of negative integration that characterised the project through to the late 1980s (Majone 2006: 622-25). But it was not sufficient legitimacy to support the expanded scope and depth of integration – in areas such as monetary policy and currencies, social policy and employment legislation, immigration, asylum, transnational crime, foreign and security policy – post-Maastricht (Borzel 2005). The result is that the gap between competences and legitimacy has grown larger. The systemic tension created by

this scenario threatens to boil-over whenever a referendum on integration appears on a national horizon (Dinan 2005: 295-96).

The tension having been created, Hooghe and Marks (2008: 13) argue that 'political entrepreneurs must mobilize' it. They go on to demonstrate how public opinion concerning integration is fairly susceptible to being primed, framed, and cued by national elites. Such malleability is the result of the years of permissive consensus, during which strong attitudes about integration were not formed. The early decades of integration were not used, by policy elites, national leaders, or European leaders, to instill a commitment to integration. Confederal Europe was thus weak insofar as it lacked any deeply held sense of loyalty amongst the citizens it was ostensibly supposed to govern and regulate. It was a vulnerability waiting to be exposed and, with the politicisation of integration, it was.

Political parties were content, for many years, to steer 'clear of the issue' of integration. Given that integration was not a salient issue for voters, that the mass opinion on integration was, although benign, more hostile to integration than elite opinion, and that discussing integration often meant laying bare internal party divisions, it made sense for political parties to leave the issue alone (Hooghe and Marks 2008: 19). While sensible in one respect this strategy, by mainstream parties of the centre-right and centre-left, left the field open for populist parties at both ends of the political spectrum, and nationalist members of conservative parties, to frame the debate on integration (Hooghe and Marks 2008: 21). A vulnerability in the relationship between Confederal Europe and the Europe of States – a vulnerability that is the product of both a failure to instill the EU with greater legitimacy and the permitting of integration to spillover into more salient policy areas – is thus being exploited for political advantage by parties across the continent. In the face of such mobilisation it will not suffice to repeat myths about the good of a united Europe. Rather 'the only solution is to provide a better framework for explaining and justifying this thing we call "Europe"' (Jones 2010: 106).

The crystallising moment, at which the constraining dissensus could no longer be ignored, was the rejection by French and Dutch voters of the EU's Constitutional Treaty in 2005. Most striking was 'the huge gap between elite and popular opinion' (Majone 2006: 608). The politicisation of integration has strengthened neither Confederal Europe nor the Europe of States but has, instead, weakened the entire structure. It has created a dynamic in which at one and the same time policymakers and national leaders are unable to enact the provisions they desire, and the legitimacy of Confederal Europe has been brought into question. The spectacle of European leaders continuing on – editing the Constitutional Treaty in relatively minor ways, turning it into the Lisbon Treaty, before returning to ask voters to reconsider – further damaged the legitimacy of Confederal Europe. To sum up: Maastricht 'opened a complex elite bargain to public inspection, and precipitated referendums and a series of national debates that alerted publics to the fact that European integration was diluting national sovereignty' (Hooghe and Marks 2008: 21). Now that the eyes of the masses are trained on Confederal Europe, and the actions of nation states towards it, the nature of the game must change.

Both factors – Germany's normalisation and willingness to pursue its national interest assertively, and the emergence of a constraining dissensus – have been exacerbated by the Eurozone crisis that began in late 2009. The final chapter will focus on the causes of that crisis, the response so far, and analyse how the European system might evolve in the coming years to meet this set of very significant challenges.

3. Conclusion

This chapter presented a classical realist analysis of the continued development of Confederal Europe, and the on-going tension between it and a Europe of States from 1969. During this period Confederal Europe exhibited both its internal and its external logic at several points. Internally, there was a continued

drive, by France, to bind West Germany, and a corresponding willingness, on the part of West Germany, to be bound. Despite the accession of the UK, the embedded Franco-German dynamic was not displaced by a more traditional balance of power arrangement. France and West Germany forged cooperative solutions that had the effect of managing the balance of economic – and particularly monetary – power in Western Europe in such a way as to head-off any crises in the bilateral relationship, crises that could have threatened Confederal Europe in its entirety.

Externally, despite a failure to respond coherently to the oil crises and general economic malaise of the 1970s, Confederal Europe demonstrated repeatedly the logic of securing autonomy and projecting power in the global economic system. It was this logic that drove member states to undertake several attempts at monetary policy coordination (although that also had an internal logic); to sign the SEA and embark on the 1992 agenda; to offer accession with conditionality to the Central and Eastern European states that emerged from behind the Iron Curtain; and to take an active role in setting the agenda for global trade negotiations. The intermittent failures or instances of underperformance by Confederal Europe reflect the fact that, to effectively project power, the members of the confederation must have relatively congruent interests, or at the very least interests that can be traded-off, or bought in the case of smaller member states. There is no guarantee, when dealing with what still remain independent and legally sovereign states, that the logic of unity will dominate the logic of diversity. The two logics coexist in a constant dialectic that can only be decisively resolved should Confederal Europe either disintegrate altogether (in which case diversity would dominate), or be transformed into an outright federation (in which case unity would dominate).

Maastricht marked a pivotal point in the development of postwar Europe. Having attained its long-term national interest of reunification, Germany began to normalise and pursue its interests in Confederal Europe much as any other state. And having been granted expanded competences and dressed up with terms like political union and citizenship, Confederal Europe suddenly found

itself a subject of political contestation in a way that it had not previously. The permissive consensus amongst the masses, a derivative of the relatively narrow and technical nature of early integrative efforts, was quickly replaced by a constraining dissensus that weakened Confederal Europe, and curtailed the autonomy of national elites and policymakers.

These two developments represent significant changes in the founding principles of postwar Europe, and the manner in which the Europe of States and Confederal Europe coexist. They have altered both the horizontal and the vertical balance of power in Europe. The foundational principles of the European system that came into being from 1945 are beginning to erode and, as a result, it will be necessary to reconsider the purpose of Confederal Europe, and the nature of its interaction with the Europe of States.

CHAPTER 7

WHAT FUTURE FOR THE THREE EUROPEES?

The central argument of this thesis is that postwar Europe can be conceptualised as Three Europes: Protected Europe, Confederal Europe, and a Europe of States. Each was formed and has been sustained by the interaction of the national interests of the most powerful states within Europe, and also the US. This concluding chapter has three principal tasks. First, it brings together the central arguments and themes of the thesis, identifying the key factors that have shaped postwar Europe and tracing how they have developed over time. Second, it considers the early stages of the Eurozone crisis that hit the EU in 2009, a crisis that shows few signs of either abating or being resolved definitively.¹ Third, it considers where Europe might go, and how it might develop, from this point.

1. A Simplified Analytical Narrative

The Nobel-prize winning economist Paul Krugman (2000) once asked ‘how complicated does the model have to be?’ He was asking the question in the face of developments in macroeconomics. Complex models based on precise microeconomic foundations had been developed over a number of decades. Yet they are still, in Krugman’s eyes, less accurate and less useful than simpler, ad-

¹ The fast moving nature of the Eurozone crisis mandates that a line in the sand be drawn in terms of what will be considered in this chapter. The analysis stops at the EU summit that met over 28-29 June 2012, the summit that ended with a tentative agreement (light on details) to inject EU rescue funds directly into the Spanish banking sector and to create a single banking supervisor under the auspices of the ECB.

hoc models.² If the historical details contained within the four empirical chapters of this thesis are stripped away, then what can be extrapolated is an analytical narrative (not quite a model, as such) of European integration that rests on a handful of factors that can be traced over time. The narrative is not generalisable in the sense of being a template for explaining regional integration in other parts of the world. That is not its purpose.³ Rather, its purpose is to identify what really mattered, from a classical realist perspective, in shaping postwar Europe.

As with any analytical account, it leaves out more than it puts in. But this section identifies the five core elements of the postwar European settlement that have helped to form and sustain the Three Europes. They are:

- (1) A US national interest in stability and security in Europe and a corresponding commitment of US power to secure that end;
- (2) A collective national interest amongst European states to reclaim a degree of autonomy and to project power into the global system;
- (3) A French national interest to bind West Germany into an economic confederation, which could then be used to amplify French power and prestige globally;
- (4) A German national interest in reunification above all else and, as a corollary, a willingness to defer to France in the political leadership of the confederation. West Germany thus acted as a ‘tamed’ or ‘Europeanised’ power.

² Krugman had in mind specifically the IS-LM (Investment-Saving / Liquidity-Money Supply) model in macroeconomics. IS-LM was, in essence, an ad-hoc and simple macroeconomic model developed by John Hicks (1937) as a formalisation of the writings of John Maynard Keynes.

³ The most that can be said, on the issue of generalisability, is that classical realism would expect any other such instance of regional integration to be understandable through the interaction of the national interests of the most powerful states in question.

- (5) A permissive consensus amongst the European masses towards the building of a confederation that was initially about negative integration through tariff-reductions and regulatory harmonisation.

A US national interest in stability and security in Europe

The first core element of the postwar European settlement is a result of the national interest and power of the US. Although an extra-European power, the US has played a fundamental role in the development of postwar Europe. The first aspect of this role is military and security related. The US, after internal debate and discussion, resolved to make the security and defence of Western Europe a priority. A settled national interest emerged around the notion that the US should take the lead in European security matters. The US was responding to two considerations in making this move. First was the overt threat of the Soviet Union and the fear that Western Europe could be lost to the Soviet sphere of influence. Second was the threat of Western European states descending back into historical enmities that would thwart economic reconstruction and thus make it more vulnerable to Soviet domination. The two concerns were interrelated and led to the establishment of the first Europe, Protected Europe. The institutional manifestation of Protected Europe was the NATO alliance and, through it, the US injected an overwhelming amount of manpower and military hardware into Western Europe.

The impact of this decision in Western Europe had positive and negative elements. On the positive side, it ameliorated the security dilemma and allowed the continent's two leading powers – France and West Germany – to establish a more cooperative relationship based on economic power. The US national interest in reviving West Germany economically, and later militarily, transposed the 'German Question' into one with global implications, with the answer to be determined by the US and its global interests. It forced the hand of the French and new, cooperative arrangements emerged in the context of a Western

Europe where military and defence matters had been, to a large extent, de-nationalised. Put simply, it was the US security guarantee and the establishment of Protected Europe that permitted the development of Confederal Europe and the recasting of the Franco-German relationship. Thus the first steps toward European integration have, as a necessary component, US military power.

On the negative side, Protected Europe fostered a dependency among Western European nation states. It was easier to allow the US to supply the public good of security and turn attention to matters of economic prosperity, than to supply their own security (see Sheehan 2008). Such dependency, and the corresponding erosion of both military spending and the quality of military hardware, will become increasingly problematic for Europe as the US retrenches and pivots towards the Asia-Pacific. The signs, in the second decade of the 21st century, are that the US will be less willing to underwrite security in the European neighbourhood.⁴

If military power was the first element of US power injected into the continent after 1945, the second was economic power. The US saw it as a national interest to revive the economies of Western Europe and, to that end, supported the establishment of a European economic unit to be embedded in a global economic system fashioned by the US. The US used its hegemonic moment to recast the global economic system to serve the US interest in an open economic order (see Clark 2011: ch. 6). Although America's status as a global hegemon began to erode from the mid-1960s, the institutions that it established following World War II, and the economic system they served, have remained in place. Confederal Europe remains firmly embedded in those structures.

⁴ Two former senior officials from the Obama Pentagon have commented that Obama's new global posture must, and will, include a greater US commitment to the development of a NATO Response Force (Flournoy and Davidson 2012). The argument of their piece is that the US must, in its national interest, remain engaged militarily in NATO and also in Europe. The argument is, in a sense, for the continuation of the same synergy between forward military deployments and robust military alliances, on the one hand, and a stable and open trading system, on the other. The authors offer assurance that the Obama administration 'gets it'. A NATO Response Force, with a strong US element, could well be used for the increasingly 'out of area' operations that NATO involves itself in. The assertions and statements contained in the article have to be balanced against US actions in Libya and, when they are, a gap between words and deeds can be identified.

Europe's desire for autonomy and power projection

In both spheres – military and economic – Western European states reacted to the subordination that stemmed from the ‘political collapse of Europe’ (Holborn 1951) and the continent’s transformation to a stake in a new global system of power politics. The effectiveness of the response in the two spheres was markedly different. In the military sphere, Western Europe was divided between those states who were largely reconciled to protectorate status and US dominance, and those states who sought to resist such dominance and carve out a sphere of autonomy and develop power projection capabilities. The UK, in the reconciled camp, dampened the loss of prestige through an appeal to the mythical special relationship with Washington. West Germany, also in the reconciled camp, simply had no room to move given that it was ground zero for any spark of conflict between the superpowers. France, the main resister, was thus unable to overcome the logic of diversity inherent within Western Europe. This logic rendered attempts to foster European autonomy mostly fruitless. Beyond the issue of individual nation-states’ position on the reconciled/resistant spectrum, there were countless other divergences in national interests that could not be bridged. Western European states thus found themselves in what the thesis has termed an ‘autonomy trap’. The only way to win some degree of autonomy from the US was to sacrifice some autonomy to Europe. Western European states were simply unable to escape this trap during the Cold War, and the divisions amongst them served only to reinforce US dominance.

The situation has not changed markedly in the post-Cold War period. There remains a fundamental logic of diversity that European states seem largely incapable of transcending. Lacking a coherent strategic culture or a unified vision about what the role of the EU ought to be in the world, developments in the CFSP and ESDP are limited and at times sporadic. European states remain in the autonomy trap. Although they have managed to at least draw up a

somewhat coherent plan to escape the trap, they remain incapable of working together for long enough to execute it.

The outcome in the economic realm has been very different. Western European states, initially six of them, were able to foster a logic of unity and form an economic confederation. The EEC, and the EU that it has become, has a compelling external logic, namely to secure autonomy from the US within the global economic system and to project power into that system. The situation is, in keeping with Morgenthau (1952: 973), an example of 'the promotion in concert of the national interest of a number of nations'. The EU, as an economic confederation, has become one of the most significant and powerful actors in the global economic system (Damro 2012). It has played a leading role in multilateral trade negotiations (Smith 2001; Young 2002; Meunier 2005) and has used the sheer size and depth of its market to externalise many of its regulatory policies and thus shape the global regulatory regime. Viewed from this perspective, the establishment of an economic confederation that could advance the interests of its dominant powers was a sensible move. The choice facing Europe in the global economic system that crystallised after World War II was simple: confederate and be heard or remain divided and struggle to have a multitude of voices be heard in a crowd. Classical realism is well-equipped to understand the choice that was made. Yet there was also a compelling internal logic to Confederal Europe.

A French interest in binding Germany

The internal logic of Confederal Europe revolved around the Franco-German relationship. The pattern of historical enmity between the two – symbolised by three wars between 1870 and 1945 – was transformed as a result of the establishment of Protected Europe. The two powers came to a tacit understanding to manage the balance of power between the two of them within Western Europe. The balance between the pair was managed through a binding

strategy.⁵ France sought to bind West Germany into a confederal arrangement in which France would be able to exercise political leadership. Such leadership would, in turn, further the French national interest in enhancing its prestige on the global stage. Despite the fact that West Germany had established itself as the strongest economy in Western Europe by the late 1950s, and as possessing the most stable and the strongest currency in Western Europe by the late 1960s, German leaders were happy to concede the role of political leader of the confederation to France. The dynamic suited France perfectly.

Paterson (2011: 61) notes that 'Germany needed France to disguise its strength and France needed Germany to disguise its weaknesses and the Franco-German alliance was for long the axial relationship in the EU'. It was not always the case that the relationship was one that supplied leadership to the EU; sometimes it acted as a brake on integration (Paterson 2008). Yet the dynamic, broadly, was one of France leading and a Germany, reluctant to flex its muscles too strongly, following.

There have been periods where the power of Germany was simply too much for France to contain. The Bundesbank's ability to influence the macroeconomic policy of all its EMS partners through the 1970s and 1980s was a classic example. But France continued to search for a way to bind her more powerful neighbour. In that instance, of course, it was through EMU and, ultimately, the launching of the single currency.

A German willingness to be bound

⁵ Although neorealists might wish to pit balancing and binding against each other as rival hypotheses there is no logical reason why a policy of binding cannot be pursued as part of a broader strategy to manage a balance of power. Classical realists possess a richer and more multi-faceted understanding of the balance of power (see Wight 1966, 1973; Morgenthau 1978: 171-228) than most neorealists.

The corollary of France's desire to bind Germany was the willingness of West Germany to be bound. It was Hoffmann who reminded us of the need, when considering any international system, to consider the nature of the dominant state within that system. Much ink has been spilled on the nature of the West German state during the Cold War. It was Katzenstein (1997a) who labelled Germany a 'tamed power' and it is vital to appreciate the way in which the West German national interest was formulated in such a way as to lead it to consent to its own binding. West Germany's long-term national interest was established soon after its founding in 1949. It was reunification. But successive West German leaders were conscious of the need to carefully manage relations with both the US and European neighbours if reunification was ever to be achieved. West Germany found itself in a weak position, politically and diplomatically, despite the economic miracle that would take place during the 1950s.

Thus, in pursuit of the national interest, West Germany adopted a European vocation. That this was a pragmatic pursuit is revealed by the fact that, in just over a decade, West Germany had gone from the status of heir to Hitler's Third Reich to a founding partner in a new and cooperative economic confederation. The 'commitment to integration may have started out as an admission of weakness ... but, because of its success that commitment was increasingly understood in a more positive sense as a necessary framework for pursuing the Federal Republic's interests' (Bulmer et al. 2010: 5).

West Germany grew more confident through the 1970s and 1980s and started to shape the 'regional milieu' (Bulmer et al. 2000). It did so by exporting its policy preferences and models of monetary stability, multi-level parliamentary democracy, and various industrial and labour market practices and standards. But it remained sensitive of the need to foster good relations with its neighbours, given that their acquiescence would facilitate any future move to reunify West and East Germany. The quid pro quo for unification itself was to give up the deutschmark, a huge sacrifice of economic power and autonomy in service of the broader national interest of four decades standing. However, once that national interest had been accomplished, European nation-states possessed

little leverage over an empowered and reunified German state. If Germany's consent to be bound and its broader 'tamed power' status were predominantly tools in service of a specific national interest, it is unsurprising that they dissipated after that national interest was attained.

It is thus of utmost importance that Germany, through the 1990s, shifted from a tamed power who consented to be bound by her partners to a normalised power pursuing more narrowly defined national interests. There have been numerous examples of this shift since the mid-1990s and it is a trend that has continued under the Chancellorship of Angela Merkel. Such developments cannot be considered surprising from a classical realist perspective. Germany was always a latent power and a large part of the explanation for its restraint was because other powers had leverage over it. Once that leverage disappeared, Germany's restraint began to dissipate. The significance of this change is that it recasts the socialised dynamic that emerged between France and West Germany over the better part of five decades. That Franco-German dynamic was one of the cornerstones of Confederal Europe and it has recently become fundamentally altered.

The permissive consensus

The fifth core component of the postwar European system has been the existence of a permissive consensus, amongst the masses, toward the development of Confederal Europe (Hooghe and Marks 2008). Such consensus was crucial in permitting the development of what might be termed negative integration, a phenomenon that characterised Confederal Europe through to the late 1980s (Majone 2005: 143-62). In order to pursue such negative integration, Confederal Europe itself did not require a tremendous amount of legitimacy, nor did it require a compelling idea or ideology to underpin it. This was just as well because such an idea was not forthcoming. In the realm of ideas, it was the nation-state and nationalism that continued to animate postwar Europe.

Supranationalism did not emerge as a rival idea possessing any significant political force. On the criteria of legitimacy, therefore, a delicate balancing act had to be struck between nation-states endowed with a historically grounded sense of legitimacy, and a confederation that possessed legitimacy sufficient to underpin very narrow pursuits.

This permissive consensus was not sufficient to sustain the shift from negative integration to positive integration and the extension of the competences of Confederal Europe from the late 1980s onwards. Where neofunctionalism saw a process of political spillover following, with a slight lag, the process of functional spillover, the reality was that as competences accrued to the confederation, its legitimacy was actually eroded. The ever-increasing gap between competences and legitimacy has created a systemic tension that cannot be resolved through measures such as transferring more powers to the European Parliament.⁶

The manifestation of this shift is evidenced by an intensification of the politicisation of the EU and integration. As Confederal Europe began to encroach on monetary policy, migration and borders, and talk of political union was placed on the agenda, there was a political awakening to the EU. Political parties saw it as an issue that could be used domestically in political contests, and citizens of the member states increasingly sought an integrative process in which the costs outweighed the benefits. Persistent struggles in referenda on EU constitutional issues throughout the 1990s and 2000s were a manifestation of this politicisation and lack of legitimacy. Increasingly, economic power was being transferred, through legal mechanisms, to the confederation, but political power and legitimacy were remaining almost exclusively at the nation-state level. Carr (2001 [1939]: 108-10) had warned decades earlier about the illusion

⁶ The continuing expansion of the powers of the European Parliament, in the EU legislative process, has progressed in parallel with a fall in voter participation in European Parliamentary elections. The point seems relatively clear: what is lacking is a European *demos* that can be mobilised in such campaigns. Such a *demos* cannot be created by granting the Parliamentary body in question new powers. Indeed, European Parliament elections are second-order elections that voters see as an opportunity to weigh in on the party in government domestically. Despite sitting in broad party-political groupings at the European Parliament, the elections are conducted on a national basis with no genuine pan-continent manifestoes competing against each other for popular support and legitimacy.

of the separability of politics and economics and, from a classical realist perspective, the systemic tensions that emerged are far from surprising.

The shift from permissive consensus to constraining dissensus has been a stark reminder of the attachment of the masses to the notion of a pluralist European order, comprising nation-states that pursue distinct interests and possess distinct identities. In nationalism, European nation-states possess a powerful and legitimating idea that can be put to use in opposition to further integration. Confederal Europe has no equivalent idea with which it can mobilise citizens or legitimise what power it does possess. A lack of ideational power only serves to further compound the confederations lack of material power.

Foundations eroding?

Each of the five dynamics brought together above are fundamentally changing, or fraying, at the start of the 21st century. Power is shifting in three ways. Globally, power is shifting from the Atlantic Community of the US and Europe towards China and other large economies such as India and Brazil. Regionally, power has shifted decisively towards a Germany prepared to act in a way commensurate with its position. And, in the realm of ideas, power seems to be ebbing away from the notion of 'ever closer union' and back towards a pluralist vision that affirms the primacy of the nation-state.

The global shift in power, still in the process of crystallising, might be expected to have two significant impacts on the European system. First, it seems likely to reduce further the commitment of the US to the provision of military security to the continent. The US has already made signals in this direction. The onus is thus on the most militarily powerful European states to think about what might replaced a Protected Europe. Whether this will be a European-led NATO (finally realising the vision of de Gaulle), the development of closer Anglo-French

military relations outside of the EU framework, or a Weimar-triangle⁷ led effort within the EU framework, remains impossible to predict. Second, the global shift in power should reinforce the logic of confederation in the economic realm. It is only as a unified force, promoting a concert of national interests that the states of the EU can hope to continue to shape and project power in the global economy. Even this collective capacity will gradually diminish as powers such as Brazil, India, and China grow economically more powerful (Young 2011).

The regional shift in power should be expected to result in an EU in which Germany plays a more dominant and assertive role than has historically been the case. The Eurozone crisis may well usher in much tighter coordination of fiscal policy between those states using the currency. The weight of the German economy in that system, that it sets the pace in terms of productivity and competitiveness, and the fact that it alone has pockets deep enough to finance the system during moments of crisis, constitute a significant amount of power emanating from Berlin. Again, how Germany chooses to use its power remains, at this stage, difficult to forecast although its combination of economic and ideational power has been displayed fairly comprehensively through the Eurozone crisis to date. The question this regional shift in power raises is how France will adapt. The *Financial Times* commentator, Philip Stephens (2011), has rightly identified the inversion of French leadership/German followship that the Eurozone crisis has made apparent. The Franco-German question is, in short, back on the agenda in Europe and some new solution will have to be found. The mode of interaction between the two states, on whose relationship the fate of the continent has so often depended, and that has persisted for over five decades, is now at an end.

The shift in ideational power is also crucial. Various decisions by European policymakers and political elites have created a gulf between the scope of competences that now rest with the confederation, and the base of legitimacy on which those competences rest. Having made Europe, there has been a distinct

⁷ The triangle consists of Germany, France, and Poland.

failure to make Europeans (Majone 2009: 25-30). The Eurozone crisis, discussed below, has made this failure very apparent and potentially fatal. In an attempt to resolve the ongoing crisis, solutions that are economically viable are rendered politically infeasible because of a distinct lack of group identity across national boundaries. Indeed 'far from "making Europeans", this current crisis is encouraging the citizens of the European Union to fall back on older, more deeply-rooted, national identities' (Rachman 2012). Whether it is the True Finns, the Party for Freedom, the Danish People's Party, or the Austrian Freedom Party in the stronger economies, or the Communist Party of Greece, the Left Party or Lega Nord in Italy, there is a rise of populist backlash against either the notion of a transfer union or continuing austerity as mechanisms of dealing with the Eurozone crisis (Leonard 2011: 2-4).⁸ If Confederal Europe is to continue, it must find a way to legitimise itself in the eyes of the European masses.

The overarching point is that the key dynamics that helped found and sustain the contemporary European system – and its Three Europes – are all shifting. Some of the resulting turbulence has been the product of poor policy decisions, or decisions to pursue political objectives through economic channels. Some of the turbulence is the result of factors beyond the control of European states. The US is refocusing and pivoting. Germany is normalised and pursuing its national interests as other powers do. France is less capable of playing the political leadership role it is used to. The UK's Conservative-led coalition government (as of 2012) is struggling to fend off calls from restive backbench MPs, and an increasingly restless and vocal public, to hold a referendum on the nature of the UK's relationship with the EU. And the permissive consensus is no longer there. What remains compelling, amidst all of this change, is that Confederal Europe

⁸ The list confines itself to countries that are taking a stance either against a transfer union or austerity. On top of that, however, there is a staunch euro-scepticism in the UK Independence Party and the UK Conservative Party, not to mention the variety of Central and Eastern European parties who are opposed to the subsidisation of more affluent member states through the EU budget (such parties including Slovakia's Freedom and Solidarity, Hungary's FIDESZ, the Czech Republic's Civic Democrats, Hungary's JOBBIK, and Poland's Law and Justice) (see Leonard 2011).

still offers the nation-states of Europe the best opportunity to secure some autonomy in the global system and to project power into that global system. That part of the equation remains the same. But the Three Europes, and specifically the dynamics operating between them, are under tremendous strain. The Eurozone crisis has crystallised some of these tensions and the final part of the thesis turns its attention – briefly but pointedly – to that crisis.

2. The crisis in the Eurozone

‘Perhaps future historians will consider Maastricht a decisive step towards the emergence of a stable, European-wide power. Yet there is another, darker possibility ... The effort to bind states together may lead, instead, to a huge increase in frictions among them’. With those words, written originally in December 1991, the influential commentator Martin Wolf (2011a) expressed a fear that, two decades later, would materialise. The Eurozone crisis has, without doubt, exposed the design flaws of the single currency, design flaws that numerous economists were quick to point out back at its inception. However the crisis is symbolic of far more than a mere failure to design appropriate pressure valves for the currency union. It is, on one level, a technical economic problem but, arguably, this is the most mundane element of the crisis. Economically, what has happened to bring the Eurozone to its present state, and what needs to happen – economically – to fix it, are relatively clear (see Krugman 2011, 2012a, 2012b). The Eurozone crisis is a manifestation of the doctrine of unintended consequences. It is one of the deepest ironies in the narrative of integration that an effort to dilute German power has ended up, two decades later, further entrenching German power.

The crisis is more interesting for what it reveals about the built-in tension between Confederal Europe and the Europe of States, a tension that has become considerably more volatile since the permissive consensus disappeared. Majone (2011: 1), in a keynote speech to the Euroacademia International Conference in

Vienna, remarked that the 'the politicization of Europe [by which he meant the EU] is largely due to the decision to proceed with economic and monetary union (EMU)'. To be sure, other developments helped politicise the activities of Confederal Europe. But the move to EMU was, as Majone (2009: 107-12) says, crucial in the process. This section of the thesis briefly details how the crisis came about, in economic terms, before going on to analyse the political response to the crisis to date. It argues that the response has been characterised, so far, both by a German failure to understand the nature of the crisis and by a tension between the imperatives of holding Confederal Europe together, on the one hand, and preserving national autonomy and defending national interests on the other hand.

The power of Germany, both through its sheer economic weight and the ideational power it has displayed in shaping how the crisis is perceived, has been palpable throughout. Thus the crisis can be seen as a crystallising point where German dominance within the confederation is no longer something that can be denied. However, no response that simply elevates the moral perspective of the dominant party can be expected to be effective. Instead, returning to one of the foundational elements of classical realism, a compromise must be found between power and morality.

The causes of the crisis and the response so far

Undoubtedly there were economic flaws in the design of the Eurozone. Despite the assumptions of its designers (see Ingram 1973: 10; European Commission 1990: 24) and political champions the currency union did not render balance of payments irrelevant. Furthermore, it did not represent an Optimum Currency Area. Finally, no appropriate institutional safeguards were designed to deal with a crisis when it occurred. The crisis that currently engulfs the Eurozone is, in fact, a product of the system itself and the internal imbalances that it has fostered (Sinn 2010; Zemanek et al. 2010: 84-97; Sinn 2012). Despite the best

efforts of commentators and politicians from Germany, Finland and the Netherlands amongst others, this is not a morality tale in which profligate, feckless EU member states have borrowed their way into unsustainable debt positions. It is a crisis caused by the huge build-up of internal imbalances and the creation of a group of states, on the one hand, who ran huge current account surpluses and a group of states, on the other hand, who ran corresponding deficits. Those deficits were financed by capital exports from the surplus states. The movement of capital was facilitated by both the EU's single market and an increasingly integrated financial system that served as the intermediary between lenders in states such as Germany and the Netherlands and borrowers in states such as Greece, Portugal, and Spain.

When the global financial crisis hit, and capital markets froze up given the return of uncertainty, the capital importing countries within the EU were confronted with 'sudden stops', an economic phenomena normally associated with emerging markets (Merler and Pisani-Ferry 2012a).⁹ Not only did these sudden stops leave economies struggling to find the capital they needed to continue operating normally, but they brought to the surface divergences in competitiveness that had built up over a decade, from the launch of the euro in 2000 to the onset of the crisis in 2010. The onset of the crisis also led financial markets to price risk back in to lending to sovereigns. Risk differentials in sovereign borrowing had virtually disappeared amongst Eurozone members in the decade before the crisis. They returned quickly and to devastating effect in 2010, pushing up borrowing and repayment costs for Greece, Spain, Portugal, Ireland, and Italy amongst others (Krugman 2012a: 4). This resulted in several member states – Greece, Ireland, and Portugal, all for specific reasons that need not be described in detail here – having to borrow more capital in an attempt to compensate for the sudden stops and then quickly finding themselves priced

⁹ Sudden stops refer to a situation in which private flows of capital, on which an economy might come to depend, suddenly stop flowing, leaving the economy in question high-and-dry. Merler and Pisani-Ferry (2012a: 12) note that 'countries within the euro area can experience such crises because they do not exhibit the same degree of market and policy integration as regions within a country'.

out of the bond market. The possibility of EU member states defaulting on debt payments thus became a real possibility.

Such a dire situation compelled a response from the EU (Pisani-Ferry et al. 2012a; Bijlsma and Vallee 2012). Several rescue funds have been established to provide support to member states that cannot access the bond markets. However, the rescue funds do not come without strings. In exchange for access, states have to subscribe to fiscal austerity programmes that cut their budget deficits rapidly. De Grauwe (2011) has noted that this austerity serves to increase the fragility of an already fragile Eurozone. They shrink the size of economies that are already struggling to compensate for massive outflows of private capital. Real GDP in the troubled Eurozone economies has shrunk and unemployment has risen to levels that may threaten the social bargain that underpins modern welfare-state economies. Alongside these rescue funds the ECB has engaged in aggressive policies to prop up teetering member states (Pisani-Ferry and Wolff 2012).¹⁰ Adopting a longer-term perspective the European Commission has produced a so-called 'Six Pack' of regulations intended to strengthen the fiscal stability of the Eurozone and the EU more broadly.¹¹ Taken together these measures constitute a 'messy rebuilding of Europe' (Pisani-Ferry et al. 2012), but a rebuilding nonetheless.

The messy rebuilding is following a path largely dictated by Germany's national interest. That Germany's preferences are the result of a fundamental misdiagnosis of the problem is a separate issue. The fact remains that the measures taken to date have been largely dictated from Berlin. Classical realism

¹⁰ The ECB announcement is available here: http://www.ecb.int/ecb/legal/pdf/l_12420100520en00080009.pdf, accessed 19 July 2012. The decision permitted the ECB to purchase maturing sovereign debt in the secondary markets but not to monetise debt by purchasing it directly at sovereign bond auctions.

¹¹ The provisions of the Commission's six-pack are detailed here: <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/11/898>, accessed 19 July 2012. A further development is the Fiscal Compact, including all EU members except the UK and the Czech Republic, through which member states commit to balanced budgets. The provisions of the Fiscal Compact, officially called the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union are detailed here: http://european-council.europa.eu/media/639235/st00tscg26_en12.pdf, accessed 19 July 2012.

finds little of surprise in this. Laffan (2012: 8) has noted that 'as the crisis persisted a shift in the balance of power occurred'. Laffan dated the shift to the 18 October 2010 Deauville meeting between Angela Merkel and Nicolas Sarkozy. In parallel to a finance ministers meeting in Luxembourg, the two heads of government struck a deal that was symbolic of the growing assertiveness of Germany. While Germany conceded to a less automatic sanctions regime for budgetary indiscretions, it ensured that any permanent rescue fund would only be launched in tandem with a Fiscal Compact, and it ensured that any future bailouts would involve haircuts for private sector bondholders.

Since Deauville, Germany has continued to use a combination of economic power and ideational power to steer the response to the crisis. Its economic power stems from its position as the creditor with the deepest pockets, pockets necessary to support the rescue funds that have been established. It is a rather crude form of power in which credit begets control over the troubled economies, and the enforcement of policies that Germany believes are appropriate. In an attempt to legitimise its power as creditor, Germany has disseminated a discourse that has transformed the crisis into a quasi-morality play in which profligate 'peripheral' economies are contrasted negatively with prudent and hardworking 'core' economies. Indeed, the very fact that 'core-periphery' discourse has become second nature amongst policymakers and commentators is a testament to the power of that narrative. It is hard to tell, at present, whether the failure to respond to the crisis in an effective way is the result purely of misunderstanding on the part of policymakers in Berlin, or whether it is the result of those policymakers responding to public opinion that is opposed to the development of a transfer union or fiscal union, and its entailing loss of sovereignty.

That question leads to the third point, namely that the crisis has further exacerbated Confederal Europe's legitimacy problem and revealed a distinct lack of transnational solidarity. While it might be legally correct to refer to the

citizens of Eurozone member states as sharing a common European citizenship (Shaw et al. 2006), it is hard to infuse this with political, as opposed to legal, meaning given recent developments. The fundamental political problem with embarking on a project like the euro is that it has created a situation in which the costs of a break-up are colossal but the necessary measures needed to avoid a break-up are politically infeasible. A partial break-up of the Eurozone would permanently destroy the argument that membership was irreversible and would stimulate further contagion and uncertainty in the markets. A complete break-up of the Eurozone would represent a global economic shock of such magnitude as to make the collapse of Lehman Brothers look relatively mild. Despite this downside risk, the solidarity necessary to solve the problem does not exist. The crisis has entrenched the logic, identified by Carr (2001 [1939]: 150-53), of the good of the part outweighing the good of the whole. Carr identified two ways of resolving the dilemma. The first is identification of the good of the whole with the good of the fittest.¹² The second is identification of the good of the whole with the security of those in possession. Both have been on display so far in the response to the crisis. The entire narrative has been an example of the former. And the latter can be seen in the first Greek rescue, which was implicitly a rescue of French banks (Sinn 2010: 4-5), and the Irish rescue, which was implicitly a rescue for the banks of numerous other Eurozone members (Wolf 2010).

A crisis that was caused by the systemic logic of the Eurozone has been recast in a way that has divided creditor nations and debtor nations, with the former agreeing to supply finance but at the cost of severe austerity.¹³ As Wolf (2012)

¹² By this, Carr meant the tendency in international politics for the best performing states to paint their strong performance in ethical and/or moral terms. It has a Darwinian quality to it and, Carr writes (2001 [1939]: 150), 'it is only necessary to prove in action that one's country is the fittest in order to establish the identity of its good with the good of the whole'. The dominant discourse throughout the Eurozone crisis, crafted in Berlin, has been to identify the good of the Eurozone with the good of its economically strongest member. Germany's robust, for the most part, performance through the crisis is infused with an ethical dimension that heralds the German model of savings, balanced budgets, and current account surpluses. It is then presented as a model for all Eurozone member states, despite it being economically illogical.

¹³ That democratically elected governments in Greece and Italy were replaced by unelected technocrats in service of the austerity agenda only further fuelled the tensions and resentments.

has observed, ‘creditworthy members tend to dislike supporting the “irresponsible”. Voters dislike sharing with non-voters’. He goes on to ask the following question: ‘if dismantling the euro is out of the question, true federal finance is unavailable, and mutual solidarity will remain limited, what is left?’

The solidarity necessary to underpin significant transfers from richer to poorer parts of the Eurozone, a fiscal union in which a Euro-area finance minister who would possess a veto over national budgets, a move to mutualise Eurozone debt through some form of euro-bond, or some form of banking union involving collective insurance, seems absent.¹⁴ The answer to Wolf’s question is thus, perhaps, not a lot besides an orderly break-up of the Eurozone and the emergence of a core monetary union centred on Germany. Any hope for an alternative answer rests, at a minimum, on Germany re-thinking how it perceives the crisis and elevating the survival of the Eurozone to an overriding national interest. At present it is competing with other interests such as the maintenance of fiscal sovereignty, a desire to make its Eurozone partners more German in terms of their approach to debt and the national current account, and a desire not to commit ever more financial resources to rescue funds.

Carr (2001 [1939]: 151) noted that

any international moral order must rest on some hegemony of power. But this hegemony, like the supremacy of a ruling class within a state, is in itself a challenge to those who do not share it; and it must, if it is to survive, contain an element of give and take, or self-sacrifice on the part of those who have, which will render it tolerable to the other members.

There is much truth in this and one might wish that such logic could prevail in Berlin. Classical realism appreciates that the Confederal Europe that will, or rather might, emerge from this crisis will be one that is shaped more in the

¹⁴ Pisani-Ferry (2012) makes the case that such measures are necessary to fundamentally tackle the crisis, along with measures to correct underlying economic imbalances in the longer-term. There are multiple models for a possible banking union (Pisani-Ferry et al. 2012b) and for a fiscal union (Marzinotto et al. 2011) but all seem fraught with difficulties.

interests of Germany. But it recognises the equal importance of some sense of compromise by the dominant power. In order for the troubled economies, and most importantly their citizenry, to remain part of the system then they have to feel as though the system is offering them something. The policies being pursued at present, largely at the behest of Berlin, offer little other than ongoing recession, rising unemployment, lower wages for those employed, and a weakening of the social safety net.

If there is a route out of the Eurozone crisis – and that has to remain an ‘if’ given the record from May 2010 to June 2012 – then it will be one that involves a compromise between Germany’s power, on the one hand, and a commitment to some form of moral purpose for the Eurozone as a whole. The current dynamic, in which the moral requirement of the Eurozone is, as per Berlin’s demands, to become more German, for all members to have balanced current accounts (or even surpluses), and for competitiveness to be restored through crippling internal devaluations, does not offer the basis for such a compromise.

Where does Europe go from here?

Without being overly prescriptive, as this thesis has not been geared towards public policy, there are several things that the foregoing analysis suggests need to be done in order for Europe to move forward in a stable and secure manner. First, it is necessary for political elites in EU member states to exercise some leadership and articulate more clearly both the benefits that the EU brings and also its broader purpose. Second, it is necessary to deal with the tension that has arisen as a result of the EU’s expansion of competences into more salient and politicised issue areas. Third, the EU needs to become more flexible given the difficulty of forging unanimous agreement among a diverse group of 27 nation-states.

Political elites and policymakers who wish the confederation to last must recall Lenin's dictum that politics begins where the masses are. The masses have now awakened, so to speak, to the existence of Confederal Europe and the case has to be made to the citizens of nation-states as to why confederating economically is of benefit. A clearer narrative is required as regards what the EU is for. Carr (2001 [1939]: 89) pointed out that mobilising masses in support of any political project requires the positing of a finite goal because 'the conception of politics as an infinite process seems in the long run uncongenial or incomprehensible to the human mind'. The EU has never been endowed, by national elites, with any form of narrative. There is no agreed upon final destination. For those arch-federalists who favour a United States of Europe, the final destination is clear, namely a federal state, but this is not a vision shared by a majority of the citizens of EU member states. Hoffmann (1995: 87) observed that 'once Europe began being made, the question had to be asked: "Making Europe, what for?" The process is like a grinder, a machine that works only when someone keeps giving it something to grind'. He went on to acknowledge that 'for a while, the machine worked because the European governments poured into it a common determination to integrate their economies in order to maximize their wealth'. Once a customs union and a common market had been established however the aim of integration started to become muddled.

Majone (2009: 76-9) has labelled this 'goal displacement', a process in which ends and means, as well as process and outcome, become confused. The result is a tendency to measure processes and not outcomes. The process of agreeing to establish, and then establishing EMU was, for example, impressive in many respects. But the outcome may well be the unintended consequence of fundamentally weakening what little commitment to the European project did exist at the mass level. Policy competences should be transferred to the confederal level when, and only when, some advantage or economy of scale can be attained by doing so. Too often policies – such as the Common Fisheries Policy (Majone 2005: 111-14) and EMU – are confederalised for reasons unrelated to effectiveness or efficiency, but rather to further the integrative

effort or as a mechanism of managing political issues that persist between the member states. A renewed sense of purpose must be found for Confederal Europe and this sense of purpose must be communicated effectively. This will require stronger leadership.

A renewed sense of purpose might be found in a return to first principles and a (re)-commitment to the completion of the single European market. Howarth and Sadeh (2010) have explored how the single market has been held back by varying implementation of EU competition policy in the member states, as well as variations in corporate law, energy markets, services, and taxation. There remain economic gains to be realised by a recommitment and refocusing on the original task of building a truly single European market (House of Lords 2011b), a reality recognised by the European Commission itself (European Commission 2010a, 2010b). Transposition of regulations remains slow and inaccurate across the EU, with the services directive a classic recent example of such lax implementation. Championing the single market and ensuring that EU member states remain committed to its further development still remains the most viable mechanism by which an increasingly marginalised UK might hope to shape Confederal Europe.

The completion of the single market also supports the broader Europe 2020 agenda, or what remains of it (European Commission 2010c). The global economic crisis has diminished the growth potential of the EU and has also made clear just how interdependent member states' economies are. The restoration of growth, and the creation of effective mechanisms for regulating financial markets, are now a priority. Europe 2020's commitment to action on employment, innovation, education, social inclusion, and climate change/energy policy are a good place in which to ground the effort to complete the single market. It is only through the effective and efficient delivery of gains that Confederal Europe, lacking a powerful legitimising idea such as nationalism or a clearly defined demos, can hope to retain the loyalty of the masses. As

Shackleton (1998: 134) has put it, the EU can legitimise itself 'provided it delivers a reasonable level of benefits in terms of efficiency'.

The systemic tension caused by the growing gap between the competences of Confederal Europe and its base of legitimacy must be closed. The adjustment can come on either side of the divide: the competences can be scaled back or there can be some effort to boost the legitimacy of the confederation. It must be remembered that the nature of legitimacy for the confederation does not have to mimic the nature of legitimacy for the nation-state. Glencross (2011) has offered some very thoughtful observations on the topic of legitimising the EU. He is critical of the prospects of legitimising the EU through either democratic governance or constitutional patriotism. Instead, he argues (2011: 365), 'the maintenance of a post-national system beyond the member states depends on the ability to incorporate EU integration into evolving national narratives, a process ... which certainly puts the onus on national elites'.

Bickerton (2011: 670) has built on this argument:

A greater threat to the legitimacy of the EU is the continued development of institutions that lack any relationship with a collective political subject. Building a European people is no doubt a tall order but it is the only route that can be taken if we wish to reconcile democracy with a pan-European level of governance.

He is right insofar as should Confederal Europe continue to accrue responsibility for politically salient matters then it must be reconciled with democracy. The alternative, a retrenchment and refocusing on the core mission of the single market, remains viable, however, and avoids the pitfalls of seeking to expand the competence of confederal institutions 'at the risk of depleting their limited resources of legitimacy, and of a growing ineffectiveness of European policies' (Majone 2005: 32). The argument advanced by some (Habermas 2009, 2012) – that the response to a situation in which EU institutions have strained their credibility by amassing too many competences that are politically salient is

to forge ahead with more pan-European policies in the area of social welfare – is premised on the highly questionable assumption that the divisions between 27 member states in terms of their social standards and welfare state regimes can somehow be bridged. While it cannot be categorically refuted, the evidence suggests that deep divisions and problems remain to be overcome in forging a shared sense of European identity (Fligstein et al. 2012).

In addition to attempts to close the legitimacy gap by both articulating a clearer vision of what the EU is for, thus requiring leadership from national elites, and also retrenching and refocusing on the core mission, namely the single market, the EU must become more flexible. With 27 highly diverse nation-states now members of the confederation it is no longer viable for all to progress at exactly the same speed, down exactly the same track. The old model of Type I Multi-level Governance (MLG) – featuring general purpose jurisdictions, non-intersecting memberships, jurisdictions at a limited number of levels, and system-wide architecture – may well give way to Type II MLG – featuring task-specific jurisdictions, intersecting memberships, theoretically unlimited jurisdictional levels, and flexible architecture (Hooghe and Marks 2003: 236-39). Whereas Type I structures tend to depict federal or confederal arrangements, Type II structures depict something far more complex, overlapping, and functional.

Confederal Europe has arguably already started to move in the Type II direction with concepts and phrases such as multi-speed Europe, variable geometry, flexible integration, a Europe of concentric circles, and many others now common place in the literature (see Stubb 1996; Andersen and Sitter 2006; Dyson and Marcussen 2010). Recent work by Holzinger and Schimmelfennig (2012) identified how integration can differ in numerous ways: permanent differentiation versus temporary; territorial variation versus functional; differentiation at the nation-state level versus multi-level differentiation; differentiation within EU treaties versus differentiation outside; and differentiation involving only EU member states versus differentiation that also

involves non-member states. This conclusion is not the place to explore all of these types of difference but they are pointed out in recognition of the increasingly complex, over-lapping, and non-intersecting nature of Confederal Europe. Indeed, should the EU continue to develop along these lines, then Confederal Europe might, itself, disappear and be replaced by a Type II MLG regime.

The economic theory of clubs (see Buchanan 1965) would suggest that an ever-widening EU needs to find more flexible ways of facilitating cooperation amongst its members when it may be in the mutual interests of a specific subset of those members. In 2000 the European Commission identified the Open Method of Coordination as one such flexible mechanism whereby member states pursue national policies and then share best practices and attempt to persuade other states to adopt that same approach. Debate remains about whether the OMC represents anything more than national policymaking dressed up in EU language. It certainly remains non-binding and open-ended, and institutions such as the European Parliament and the ECJ have no role to play.¹⁵ Furthermore, and more promisingly, the Treaty of Amsterdam introduced the concept of Enhanced Cooperation under which a minimum of nine member states can work more closely in specific policy spheres.¹⁶ Although underused to date, mechanisms such as Enhanced Cooperation must increasingly be used in an ever-more complex confederation in which the logic of diversity is as alive as it was when Hoffmann first identified it in 1966.

3. Limitations, contributions, and future research

¹⁵ For a generally positive assessment of the OMC see Trubek and Trubek (2005). For a more negative appraisal see Hatzopoulos (2007). Discussions of the process and its usages can be found in Chalmers and Lodge (2003), Radaelli (2003), and Szyszczak (2006) amongst others.

¹⁶ According to Article 20 TEU anything pursued under Enhanced Cooperation must be as a last resort, so after the Council of Ministers has demonstrated that proceeding in unison is not politically viable, and must neither extend the powers of the Treaties nor touch upon areas that are within the 'exclusive competence' of the EU. It is currently being used in the areas of divorce law and an EU patent.

In bringing this thesis to a close it is appropriate to state explicitly the contributions that it makes and also some possible directions for future research. The contribution of the thesis is to two distinct sub-fields of political studies, first to EU studies and second to IR theory. The former is more empirical in nature with the latter more theoretical. In addition to those contributions there are several ways in which the research contained herein could be built upon in the future.

Limitations

All research has limitations and this thesis is limited in terms of what it claims to be providing. To reiterate, the thesis provides an analytical account of European integration that employs classical realism to trace the ways in which different forms of power have shaped 'Three Europes' in the post-war era. It must be judged on those terms; however, such terms do come with limitations both methodological and theoretical.

Methodologically, the reliance on ideal-typical types of power – military power, economic power, and ideational power – and three ideal-typical Europes – Protected Europe, Confederated Europe, and the Europe of States – carries with it the pitfalls more generally associated with classical analyticism. As Jackson (2011: 146) puts it 'an ideal-typical analytical description produces not a representation of any actual situation, but a *model* of it'. The 'Three Europes' developed in this thesis are not a one-to-one depiction of post-war Europe. Rather each amplifies specific aspects of the structure of post-war Europe for analytical purposes. The complexity of military power, economic power, and ideational power has thus been distilled into conceptualisations that can be deployed in a broad brush way to trace the development of complex system. A closer focus on delineated periods of time or specific bilateral dynamics would allow for more precision in defining those ideal types.

As Clarke and Primo (2007: 742) remark, 'the question we should ask of a model is whether or not it is similar in certain respects, and for certain uses, to a system in the real world ... "Testing" then becomes a matter not of "confirming a prediction," but assessing whether the degree of similarity between two systems is sufficient for a specific purpose'. Thus the approach, methodologically, is limited in that it is not geared towards prediction or the precise delineation of discrete independent variables or causal logics. Neo-positivism would be a far more suitable methodological approach for those who seek theories that aim for prediction, define clear variables, and trace clear causal logics. As argued in chapter 2 neo-positivism is neither superior nor inferior to classical analyticism as a methodological approach, it is simply different and, as such, has a set of strengths that mirror some of the weaknesses of analyticism.

However, as a model the thesis stands as one that offers considerably more nuance than a Neorealist model in which emphasis is placed on structural variables. It distils five core elements that have combined together to shape the development of the post-war European system. This is not, however, a model that places all the emphasis on structure as Neorealism would. Instead it emphasises the interaction of global shifts in power, shifts in the European balance of power, and the formulation of distinct national interests through an interaction of material and ideational factors at the domestic level. The approach adopted herein avoids black-boxing the state, or treating the state as a unitary rational actor albeit it there remains considerable scope for a more nuanced treatment of the processes taking place within states.

The analytical account offered herein is fundamentally about how a system of international relations has been created and sustained over several decades, through the interaction of numerous states. It is inevitably incapable of delving into the rich detail of foreign policy decision-making. This leads to a discussion of the theoretical limitation of the thesis. Employing classical realism as an approach to IR represents an explicit decision to work at a certain level of

analysis. Of course the international system that was created in Europe following World War II was the product of a number of discrete and specific foreign policy decisions. These decisions can be analysed using a variety of approaches including, but certainly not limited to, classical realism. As Barkin (2009) has observed, classical realism can be employed as a theory of foreign policy.

Each of the major decisions that have formed part of the historical narrative of this thesis – for example, the decision to form NATO, the decision to form the Coal and Steel Community, the decision to launch the 1992 agenda and complete the European single market – could be explored at a different level of analysis. Each could form a discrete case study in which the foreign policy decision making processes of the key states could be traced in considerable detail. Such an approach would further disaggregate the state and would trace how various factors – commercial and material, ideational and normative, psychological and perception-based – influenced key decision makers. But, put simply, this is a different task for a different thesis (or indeed, collection of theses). A study of how decisions by states over fifty years created and sustained an international system is a fundamentally different endeavour to a study of how specific actors within specific states formulated foreign policy at a certain point in time.

Contributions

First the thesis makes an empirical contribution to EU studies. It represents a new interpretation, grounded in IR theory, of the origins and evolution of European integration. It is hoped that such an interpretation can stand alongside well-established theories such as neofunctionalism, liberal intergovernmentalism, and Neorealism. It is a distinct interpretation in substance, and it derives from alternative onto-epistemological wagers as discussed in chapter 2. There has not been, to date, a classical realist interpretation of European integration. This is surprising given that Carr's early

work was concerned with the prospects for an integrated Europe following the destruction of World War II, and that Morgenthau devoted several key essays to the topic during the 1950s and 1960s (see Carr 1942; Morgenthau 1962b: 195-246; Morgenthau 1970: 108-15, 332-39). What these books and essays contain is the germ of a classical realist interpretation.

The work of Stanley Hoffmann, utilised across this thesis, represents a collection of landmark essays on European integration that are inspired by, and draw upon, classical realism. However, Hoffmann was a difficult scholar to categorise. While often writing in a realist vein he was also committed, through his career, to tackling philosophical questions about duties beyond borders and, in the 1980s, he drifted towards an endorsement of the regime theory associated with Robert Keohane, an approach that subsequently developed into the liberal intergovernmentalism of Moravcsik (see Hoffmann 1981, 1995). Indeed Moravcsik's work is regarded as a formalisation of Hoffmann's intergovernmentalism. As this thesis has argued there is an onto-epistemological gulf between Hoffmann and Moravcsik. In formalising Hoffmann as he did, Moravcsik amended the onto-epistemological wagers that lay at the root of Hoffmann's scholarship. While this is not objectionable *per se* it removes a large amount of the nuance, and certainly the normative dimensions, of Hoffmann's work.

This thesis can be seen as an alternative formalisation of Hoffmann, a formalisation that remains true to his philosophical commitments. To be clear, and to return to a point made in chapter 2, this thesis is not arguing that a classical analytical approach is inherently superior to the neo-positivism of Moravcsik. It is simply arguing that a classical analytical approach allows for a more nuanced understanding how the interplay of factors shaped integration, as opposed to a single causal factor. Also the thesis, by placing the EU in the context of the global system, allows for a contextual understanding of integration that is in keeping with Hoffmann's scholarship and his commitment to understanding integration as something that occurred within, and in

response to, developments at the global level. In addition to analysing the EU in a global context it offers the first interpretation of European integration that places power at the centre of the analysis. It is a conceptualisation of power that draws on the realism of Carr, and the sociology of Michael Mann.

In short, the first contribution of the thesis is thus a new theoretical interpretation of the history of integration, one that can contribute to an ongoing dialogue between competing approaches to, and schools of, IR.

Beyond the contribution to EU studies, the thesis makes a broader contribution to IR theory. Classical realism, a leading approach to the study of IR throughout the 1950s and the 1960s, was marginalised following the emergence of Waltz' form of realism in 1979, and the broader turn towards neo-positivism. The 1980s saw the 'Neo-Neo' debate – pitting Neorealism against Neoliberal institutionalism – dominate the IR field. The marginalisation of classical realism began to be reversed through the 1990s. The revival of interest was triggered by numerous factors including the collapse of the Soviet Union, the end of the Cold War, and the inability of Neorealism to either predict such events or speak to the complex world that began to emerge during the 1990s. Alongside this, there was a backlash against neo-positivism within social science more broadly that led to an exploration of pre-positivist and post-positivist approaches (see Molloy 2006: 121-29).

Yet this revival has, for the most part, taken the form of intellectual history. The scholarship of classical realists such as Carr (Haslam 1998; Jones 1998; Cox 2000) and Morgenthau (Frei 2001; Molloy 2002; Williams 2007; Scheuerman 2009) amongst others have been excavated and the nuances of their thought, not to mention their biographies and intellectual influences, have been poured over in minute detail. The result is that we now know far more about the development of classical realism, its genealogy, and its contortion into Neorealism. This is certainly to be welcomed. However, despite all of this rich and historical work there has been little effort to apply classical realism to empirical developments in the contemporary international system, or indeed to

historical developments such as European integration. Put simply, the revival of classical realism has remained predominantly theoretical and not empirical. The second contribution of this thesis is, therefore, to that literature on classical realism. The thesis builds on existing work but takes it across the theoretical/empirical divide.

Why is this important? Put simply it is important if classical realism, and those who champion it, is to compete in the empirical marketplace of ideas. It is not enough for those who champion classical realism to merely point out the problems with Neorealist accounts. Classical realism has to engage on the same terrain and offer competing accounts that can prove themselves equally good, if not superior, in helping scholars get to grips with complex developments. A comparison with the current state of the English School makes the point. Contemporary scholars working in, or focusing on, the English School have managed to balance delving into the intellectual history of the school (see Dunne 2000; Buzan 2004; Linklater and Suganami 2006) and making empirical contributions to the study of international relations (see Hurrell 2007; Clark 2005, 2007, 2011). Both strands of work in the English School strengthen each other. Classical realism ought to have the same balance of theoretical and empirical work, each working to complement and strengthen the other. The thesis contributes to that aim. It is to be hoped that such contributions will continue to emerge in the coming years.

Future research

There are several potential areas of future research that emerge from this thesis. For the sake of clarity let us separate future research along horizontal and vertical lines. Horizontal extension of the research implies the stretching of the research across time, with a vertical extension of the research implying additional research at different levels of analysis.

In terms of horizontal extension the Eurozone crisis, discussed briefly in this conclusion, represents an empirical development that classical realism could fruitfully turn its attention to. Carr's thoughts on European integration were, of course, born of an era of crisis on the continent. There is much in Carr's work in *Conditions of Peace* and *Nationalism and After* – especially his musings on the interplay of power and morality and their synthesis in law, the tension between nationalism and internationalism, and the co-existence of crises of economics, democracy, self-determination and morality – that can be applied to the Eurozone crisis and ongoing attempts to solve it. The strong influence of Karl Polanyi on Carr also offers the prospect of building a bridge between Carr's form of realism and the now prominent sub-field of economic sociology. Furthermore, the revival of nationalist sentiments within several EU members – the UK, Spain and Belgium especially – and the prospect of state fragmentation within a supranational union resonates strongly with Carr's thoughts in *Nationalism and After* about the hollowing out of the state and the diffusion of nationalism to smaller units.

In terms of vertical extension of the research there are other levels of analysis at which classical realism could be applied. This returns us to the limitations of the thesis identified earlier in this section, namely that it does not explore the nuances of specific foreign decisions that, when aggregated, give force to, and shape, European integration. Specific foreign policy decisions can be studied using classical realism, but at a different level of analysis from this thesis. There is considerable scope to delve into the detail of, for example, how the French national interest in vetoing UK membership was formed, or how Tony Blair came to advocate and champion the development of ESDP. A classical realist study of these decisions would continue to deploy the concepts of power and the national interest. But it would focus much more precisely on the factors that feed into the construction of that national interest. Such factors are potentially innumerable but the focus, for classical realists, is on how competing interests jostle to shape and control the national interest of a state. It would also be conscious of the impact of the distribution of power, interests, and ideas within

the international system and how they interact with domestic level factors, in an iterative process, to forge a national interest. Classical realism, unlike neoclassical realism, rests on a set of commitments that permit it to both offer interpretations of how foreign policy decisions were taken and also to critique such decisions and prescribe alternative courses of action (Barkin 2009). Future research could not only consider key decisions that have shaped European integration in the past, but could also consider ongoing decisions that are being taken. Such an approach could attempt to address the question of, for example, how Germany has formed and pursued its response to the Eurozone crisis and how prudent that response is? Or how the UK government has arrived in a position where it seems to be marginalising itself within the EU and how prudent such moves are?

4. Conclusion

This chapter brought together the five key factors that the Three Europes that the thesis has sought to understand. The conclusion offered is that all five of these key factors are either fundamentally changing or being slowly eroded as a result of developments in the global system and within the European system itself. With the US increasingly unwilling and perhaps incapable of committing to European security, Germany has reestablished itself as the dominant power within Europe and more willing to play an assertive role, France faced with the prospect of losing the political leadership role it enjoyed for most of the postwar period, and the citizens of EU member states no longer willing to permissively consent to further integration, the system is at a critical juncture.

Serious thought needs to be given as to how Europe might be recast in accordance with these new realities and power distributions. Protected Europe will seemingly need to be replaced by a new security bargain in which some combination of the UK, France, Germany, and Poland take on increased responsibility for regional security. Confederal Europe must return to its

original purpose and deliver clear benefits and efficiencies if it is to close the instability-producing gap between its current competences and its base of legitimacy. National elites must set out a clear vision of the purpose of Confederal Europe. Externally, there remains a compelling rationale for European states to bind together economically. Internally, there remains much to be accomplished through a completion of the single market. But the case must be made and this will require political leadership within a much more flexible confederation, a confederation capable of managing the diversity inherent in a union of 27 member states with distinct histories, cultures, and interests.

LIST OF ABBREVIATIONS AND ACRONYMS

BIS	Bank for International Settlements
CAP	Common Agricultural Policy
CEEC	Committee for European Economic Cooperation
CDU	Christian Democratic Union (of Germany)
CFSP	Common Foreign and Security Policy
COREPER	Committee of Permanent Representatives
CSCE	Committee for Security and Cooperation in Europe
CSDP	Common Security and Defence Policy
EBRD	European Bank for Reconstruction and Development
EC	European Community
ECB	European Central Bank
ECJ	European Court of Justice
ECOFIN	Economic and Finance Committee
ECSC	European Coal and Steel Community
ECU	European Currency Unit
EDC	European Defence Community
EEA	European Economic Area
EEAS	European External Action Service
EEC	European Economic Communities
EFSF	European Financial Stability Fund
EFSM	European Financial Stability Mechanism
EFTA	European Free Trade Association

EIB	European Investment Bank
EMS	European Monetary System
EMU	Economic and Monetary Union
EPC	European Political Cooperation
EPU	European Payments Union
ERM	Exchange Rate Mechanism
ESDP	European Security and Defence Policy
ESM	European Stability Mechanism
ESPRIT	European Strategic Program for Research & Development in Information Technology
EU	European Union
FDI	Foreign Direct Investment
FDP	Free Democratic Party (of Germany)
FTA	Free Trade Area
FRUS	Foreign Relations of the United States (document series)
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product
IGC	Intergovernmental Conference
IMF	International Monetary Fund
LTRO	Long-term Refinancing Operation
MEP	Member of the European Parliament
MLF	Multilateral Force
MLG	Multi-level Governance
MNC	Multinational Corporation
NATO	North Atlantic Treaty Organisation
NTB	Non-tariff Barrier
OECD	Organisation for Economic Cooperation & Development

OEEC	Organisation for European Economic Cooperation
OMC	Open Method of Coordination
OSCE	Organisation for Security and Cooperation in Europe
QMV	Qualified Majority Voting
R&D	Research & Development
RPR	Rassemblement pour la Republique (Rally for the Republic)
SEA	Single European Act
SPD	Social Democratic Party (of Germany)
UMP	Union pour un Mouvement Populaire (Union for a Popular Movement)
WEU	West European Union
WTO	World Trade Organisation

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DECLARATION

I, Daniel Kenealy, hereby declare that

- a) The thesis has been composed by myself,
- b) That the work is my own,
- c) That the work has not been submitted for any other degree or professional qualification.